



CENTIER BANK

A Family Legacy

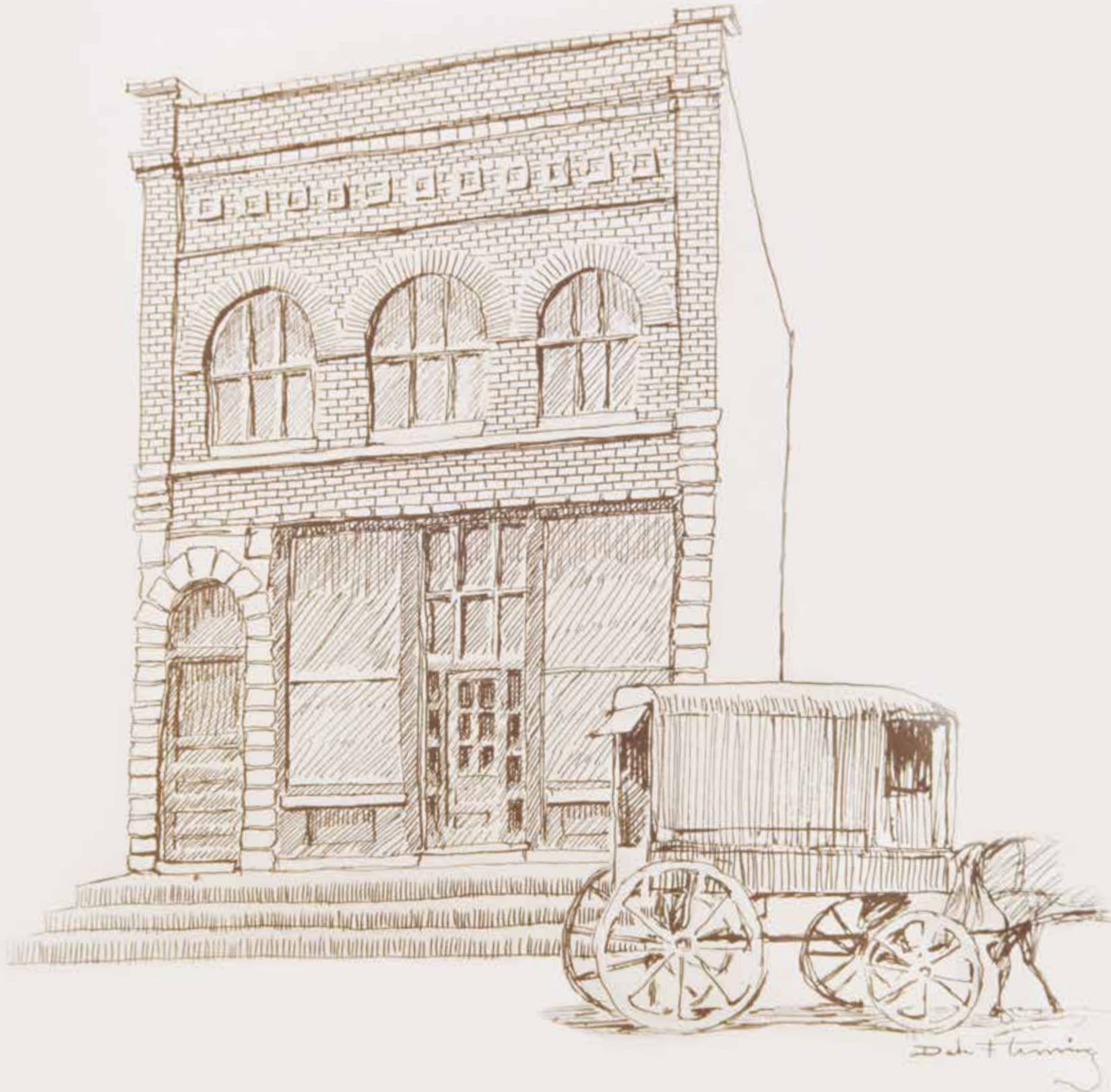


In celebration of Centier Bank's 125th anniversary, our family is proud to publish this book. Now in our fifth generation of ownership, we want to ensure that our family's journey is documented in a historically accurate manner. However, it is even more important to us that the journey shared by the Schrage Family and the Centier Family—the thousands of men and women who have dedicated themselves to working alongside us—is captured in its totality. The goal of the following pages is to document how a family's passion for community and culture evolved into the largest private, family-owned bank in the State of Indiana.

It is also important that this book's representation of our past is balanced in its portrayal of the triumphs as well as the tribulations experienced on this journey that dates back to the early 1840s. Only with an understanding of the past, and with great respect and appreciation for the sacrifices that were made by prior generations, can a family maintain a strong foundation for future growth and success.

That is why our family fervently believes that lasting legacies are built one generation at a time.

Sincerely,
The Schrage Family



CENTIER BANK

A Family Legacy



SARAH MORGANS

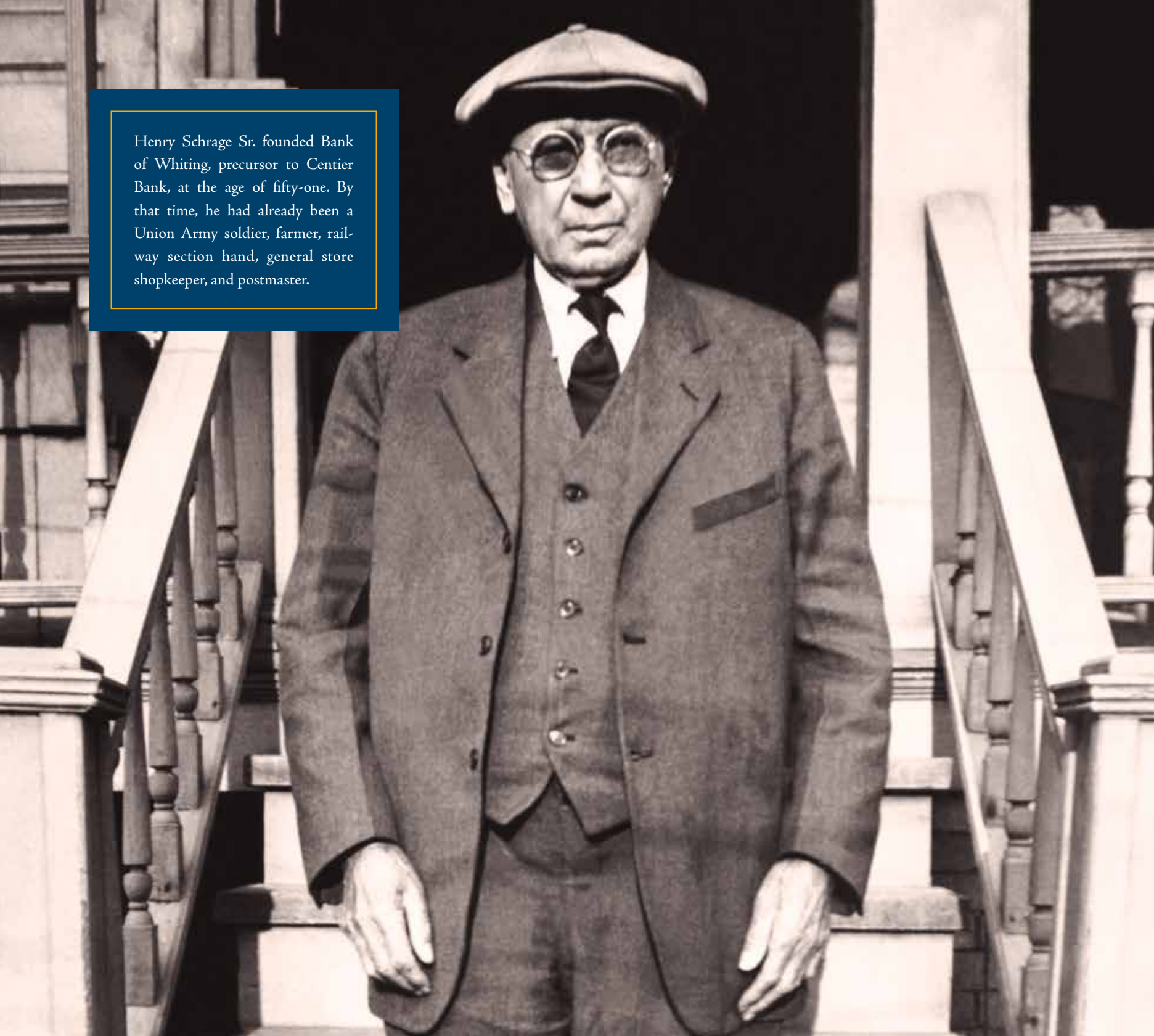


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Henry Schrage Sr. founded Bank of Whiting, precursor to Centier Bank, at the age of fifty-one. By that time, he had already been a Union Army soldier, farmer, railway section hand, general store shopkeeper, and postmaster.

1

STRONG FOUNDATIONS

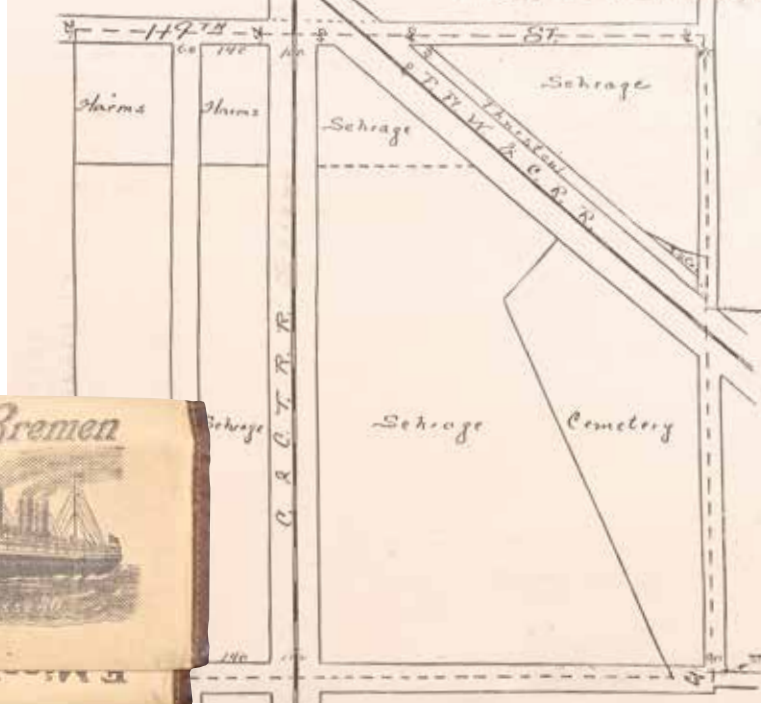
In the mid-1800s, the area that would become Whiting, Indiana, did not have much to recommend to European settlers. Seemingly endless expanses of sand, swamps, and sloughs stretched out from the southern edge of Lake Michigan. Only twenty miles away was Chicago, a burgeoning city with a newspaper, theater company, public school system, board of trade, railroad, and telegraph service, yet it might as well have been a hundred miles; travel between the metropolis of Chicago and morass of Whiting was nothing short of a slog.

“This was a horrible area in terms of settlement—the last part of Indiana to be settled,” says John Hmurovic, a volunteer historian with the Whiting-Robertsdale Historical Society. “Some historians in the past have called this ‘Indiana’s last frontier’ because nobody wanted to move here. It was just too inhospitable.”

Swales, formed by rigid banks of sand blown from the shore of Lake Michigan and the water that would collect in the depressions between them, defined the terrain throughout much of the Calumet region, the area that curves along the southwestern rim of Lake Michigan for sixteen miles from Gary, Indiana, to East Chicago. Today, the wild terrain is preserved in the 15,000-acre Indiana Dunes National Park as a haven from the industrial development that would eventually come to define the area, but at the time it was considered a wasteland. “The abundance of water, the lack of people, and the unspoiled land made it a paradise to ducks, geese, and other wildlife, and they flocked to the area,” says Hmurovic. “But to many people who moved here, it often felt like Whiting had sand and fleas, and that’s about it.”



But for Christoff Schrage and his wife, Fredricka Pieper Schrage, this land, classified as swamp by the federal government and handed over to the State of Indiana in 1850, looked to be a wise investment.



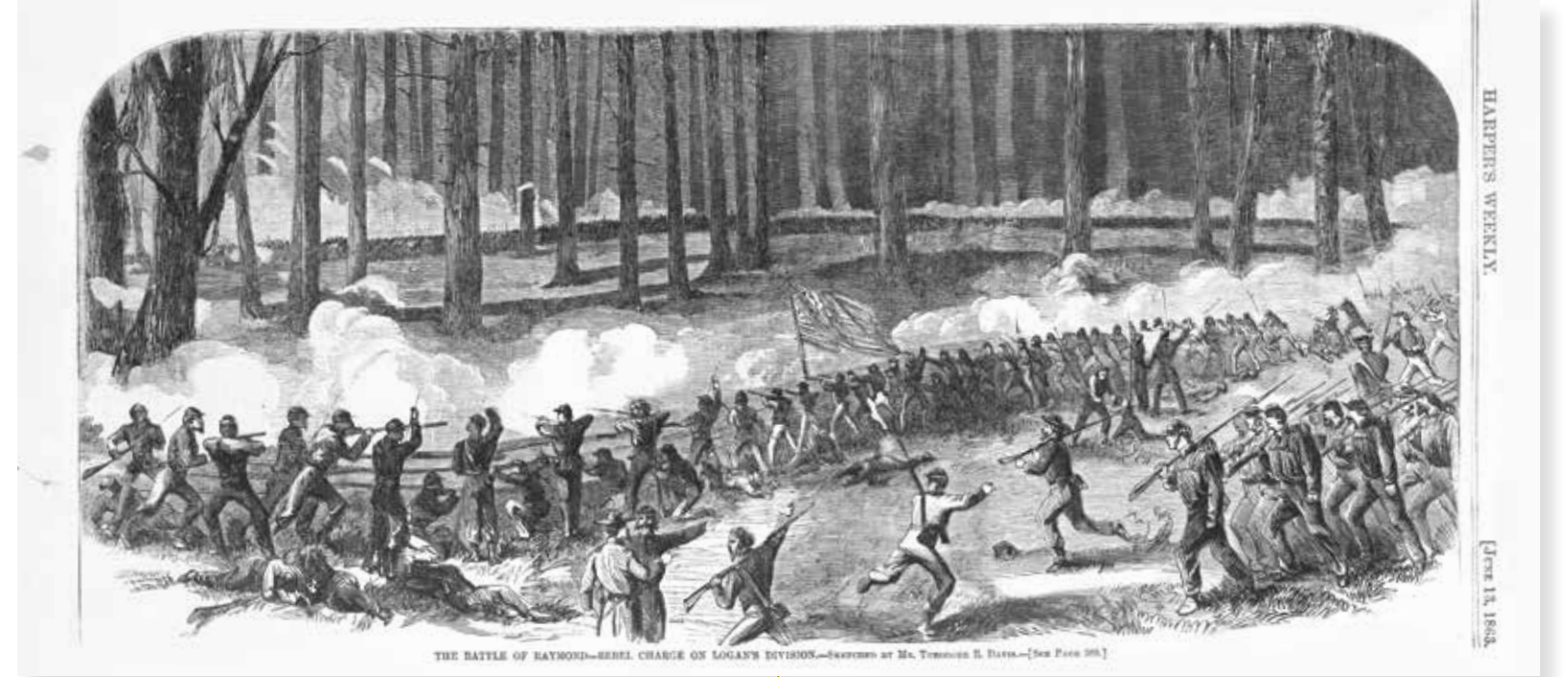
In 1851, the Michigan Southern Railroad Company began building the first line across the mire, reaching what is today the city of Whiting in 1852. The railroad not only connected the East Coast to Chicago, but it also created the first source of economic development for the Calumet region: the workers who would build the railroads and the section hands who would stay on to maintain them. “The railroad connecting Chicago to the East Coast was an extremely important leg of the railroad,” explains Hmurovic. “It ran right through what was to become Whiting, and the only reason Whiting ever became anything was because of that railroad, and because of the railroad requiring a work crew.”

A FAMILY HOMESTEAD

In October 1854, Christoff Schrage purchased fifty acres in Lake County and moved there with Fredricka, their fifteen-year-old daughter, Dorothy, and their ten-year-old son, Henry. They became

one of only a dozen families living in the area at the time, many of them also of German descent. During the nineteenth century, more than five million German immigrants traveled to the United States, about 200,000 of them in 1854 alone. Many fled economic hardship brought on by war, land seizures, and competition from nearby Great Britain while others emigrated to escape religious persecution. In the second half of the nineteenth century, Germans made up one-sixth of Chicago’s population, making them the largest ethnic group in the city.

Christoff had first traveled to America in 1840 but must have returned to Germany since Henry was born there, in Darmstadt, Hesse, on January 21, 1844. The family traveled across the Atlantic from Bremen, Germany, on the ship *Agnes* in 1854. Like many German immigrants who worked in the city to save up money for a homestead, the Schrage family lived in Chicago for about a year before moving to Lake County. But they did not stay there long. Christoff



and Fredricka relocated their family back to Chicago, where Christoff worked as a merchant. However, Christoff did not regard the interlude in Lake County as folly: in 1863 he purchased a second tract of land, paying \$1.25 per acre for it.

In Chicago, Henry attended school and worked to help his family make a living. This became particularly hard during the Panic of 1857 when a decline in European demand for U.S. agricultural products set off a two-year depression. A more profound American crisis came in 1860, when six southern states seceded from the Union in response to pressures to end slavery. In 1861 a Confederate States of America was formed by the secessionist states—then totaling eleven—and the Confederate Army attacked Fort Sumpter, sparking the Civil War.

Henry Sr. made a deep commitment to his adopted home. In addition to fighting against the Rebel Army, above, he married and put down roots. Facing page, clockwise from left: Henry Sr., founder of Bank of Whiting, and his wife Caroline; a plat map showing Henry’s property in Whiting; and a souvenir from one of the ships the Schrage family took between Germany and America.

Henry enlisted under an alias as a replacement for a draftee in the Union Army—Company K of the Thirtieth Illinois Regiment—in 1863 and spent the next two years fighting in the South to preserve the Union. Confederate Army General Robert E. Lee surrendered in Virginia in April 1865, and Henry was mustered out from the service in Louisville, Kentucky, in July of that same year.

Henry made his way back from Louisville to Whiting, something Hmurovic attributes to Christoff’s decision to buy those tracts of land. “If it hadn’t been for Christoff coming here and buying up some acreage, and then settling his family here at least for a short period of time, Henry probably would never have come back to this region,” says Hmurovic.



BATHING BEACH IN WHITING PARK, WHITING, IND.



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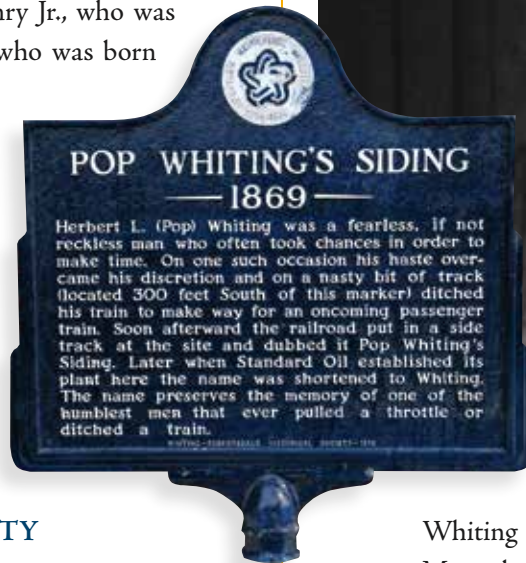
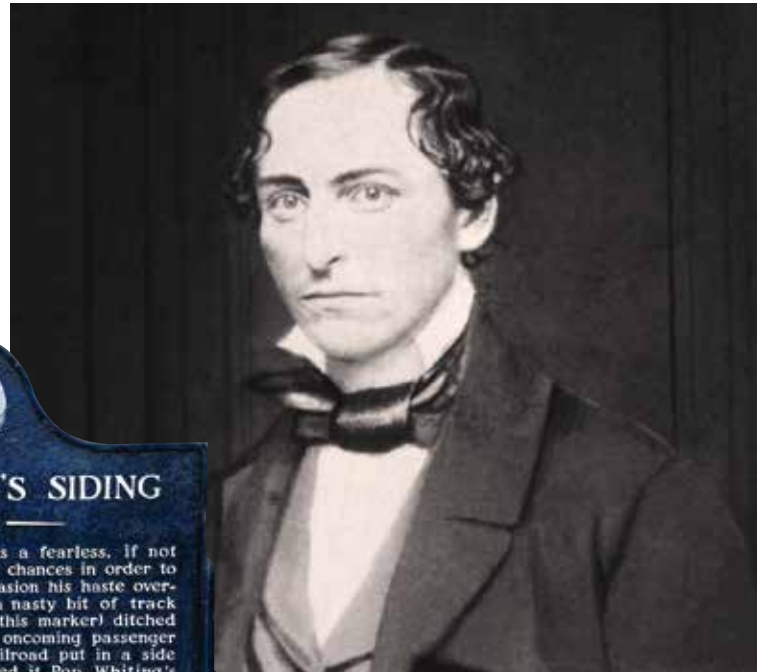
Whiting, Indiana, is situated along the picturesque shore of Lake Michigan, established as Indiana Dunes National Park. The dunes-and-swale terrain, however, didn't lend itself to easy development: deep sand reached into town, necessitating wooden sidewalks to allow community members to reach local businesses.

“Maybe he would have, maybe he wouldn’t, but when Henry was finished with his Civil War service, like so many young men of that era he could have gone anywhere. At least he had a reason for coming here.”

In 1865, at age twenty-one, Henry settled on the family property in Lake County, working on a farm and taking a job along the railway as a section hand. He earned about \$1.10 a day. On June 6, 1868, Henry married Caroline Wustenfelt, also a native German. They would have six children, beginning with Henry Jr., who was born July 2, 1869, and ending with Walter, who was born December 31, 1884. In between were Mary, William, Herman, and Sophia. The same year of his marriage, Henry opened up a general store along the railroad. Henry maintained his job with the railroad while Caroline ran the store on 119th Street, just a few feet away from Front Street. Their customers were the other settlers, mostly also German immigrants who were section hands or family members of the railway workers.

PIONEERING A COMMUNITY

Soon, the spot where Henry operated his general store had a name. In 1869, a railroad engineer from Massachusetts named Herbert L. Whiting was driving a freight train across the sandy, marshy terrain of Lake County. The engineer, who had once served as a conductor and was known as “Pop” to his fellow railroad workers, spotted a passenger train coming toward him. However, the next siding where he could pull off was too far away. So Pop Whiting made the brave decision to derail his own train in order to save the lives of the passengers in the other. Pop survived, and the spot where he ditched his train became known as “Pop Whiting’s Siding.” By the late 1880s it was shortened to “Whiting’s” and eventually just “Whiting.”



In 1871, the general store added a post office, and Henry became the postmaster. By 1880 there were twenty-one households in

Whiting comprising 115 people, according to that year’s census. More than half the townsfolk had been born outside the United States—most in Germany—and they were overwhelmingly young. “Only about 5 percent of that group was over the age of sixty,” says Hmurovic. “So it was mostly a younger group. In addition to the section hands, there was a tailor in town; there were a couple of shoemakers; there was a telegraph operator at the railroad station; and there was, strangely enough, an umbrella repairman. And then there were the Schrages.”

If Whiting could be seen as having a particular industry in those early years, it would have to be ice. “We have Lake Michigan, of course, but at the time we also had two or three smaller lakes,” explains Hmurovic. “Wolf Lake, Barry Lake, and George Lake often froze solid during winter, and they were considered a good source

for folks from Chicago who needed ice.” The railroad provided the efficient means to quickly transport the ice, but beyond that the operation was not incredibly sophisticated. “Workers would just take big blocks of ice then cart them off to Chicago for use in restaurants or homes.”

As the nineteenth century approached its final decade, there would be a prominent addition to this cozy community. In 1889, William P. Cowan, superintendent of Standard Oil’s operations in Cleveland, Ohio, made a visit to Whiting. Cleveland was home to Standard Oil’s westernmost refinery at the time, but growing demand for kerosene for lighting and manufacturing—gasoline was at that time considered a waste byproduct—had the oil company looking to build a refinery closer to the growing Midwestern cities of Chicago, St. Louis, Milwaukee, and Minneapolis. “Demand was so huge that you couldn’t meet it via pipeline: you couldn’t get the kerosene there quick enough to meet the demand,” says Hmurovic. “So Standard Oil saw the need to build a refinery that could deliver kerosene more quickly and less expensively than piping it from Cleveland to Chicago and beyond.”

Standard Oil Company and Trust was founded from an oil-refining operation John D. Rockefeller embarked on with two partners in Cleveland, Ohio. It was incorporated as Standard Oil in 1870 and ten years later was refining almost all the U.S. oil produced. Antitrust charges were eventually brought against Standard, which was forced to break up in 1911. Standard Oil made Rockefeller the richest man in the world, and he went on to become a prolific philanthropist.

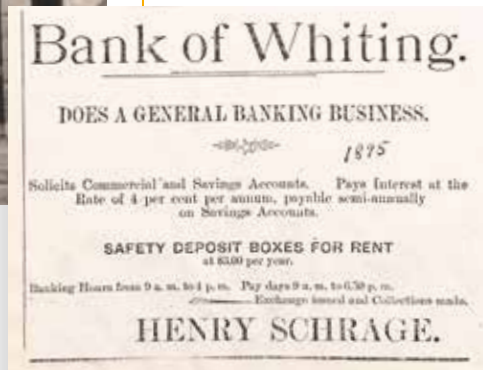
Whiting was not Standard Oil’s first choice for a refinery. “Actually, they originally planned to put it in Chicago just a few miles over the state line, probably about five to seven miles from where it is right now,” says Hmurovic. “But the oil used at the time was Lima crude oil, extracted from fields in Lima, Ohio. The problem with Lima crude, apparently, is that it stinks. It stinks like rotten eggs. When



Whiting got its name from being the location where engineer “Pop” Whiting, facing page, ditched his train to avoid a collision. It gained prominence when Standard Oil selected it as the site of an oil refinery, right.

they initially put a refinery in Chicago, down by 100th Street, they had an accident where one of the tanks burst open, spilling oil all over the place. They had this awful smell that took weeks to get rid of.” The robust railway system allowed Standard Oil to explore options outside the Chicago metropolitan area. Whiting proved the perfect fit. “It had Lake Michigan just a few feet away,” continues Hmurovic. “It didn’t have people, which was wonderful because nobody would complain about the smell of the oil. And it had very cheap land because nobody wanted it. Nobody thought it was valuable. Everybody thought it was just worthless sand dunes.”

As postmaster and proprietor of the general store, Henry was in perhaps the most influential position of civic responsibility. So when Standard Oil’s Henry Towle—the man tasked with acquiring enough land on which to build a refinery—arrived, he came to Henry.



“If you’re an outsider and you pop into a community of one hundred people, you’re going to be noticed very quickly,” explains Hmurovic. “And if you start buying up land, and then more and more land, the locals are going to say, ‘Wait a minute here, let’s up the price.’” To avoid heating up the market, Standard Oil employed a tactic of using straw men to make those purchases for them. “They sent in people that were locals, whom people would trust and not suspect,” continues Hmurovic. Henry agreed to be that straw man. He sold Towle about fifty acres of his family’s property and went on to facilitate the purchase by Standard Oil of more than three hundred acres of land.

Henry’s efforts did not spare Standard Oil any rise in land prices, however. According to a September 22, 1889, article in the *Chicago Tribune*, “A few months ago, these acres of sandy waste began to be mysteriously purchased. The owners did not know who was buying them, but they learned enough so that while the first acre was purchased for \$150, the last brought ten times that amount, for such is the unchristian spirit of the dear farmer who regards a great corporation as his meat.”

Work crews overseen by Cowan began the process of taming the unruly terrain into a suitable foundation for industry in May 1889. A sewer system lowered the water table and drained the wetlands. The massive sand dunes and deep swales that were such a prominent feature of the area were leveled. An article in

the *Chicago Tribune* on May 11, 1889, carried the breathless headline, “Officials of the Company Declare That the New Refinery Will Be the Largest in the World.” The town’s population skyrocketed from just twenty-six families to two thousand families. “When Standard Oil arrived, you had around one hundred people here and suddenly there are close to four thousand people here in

town,” says Hmurovic. “That was a huge change for such a small place that was still growing and developing.”

AN INSTITUTION EMERGES

No longer would the railroad be the community’s only economic focus, nor would the general store and post office be Henry’s only

option for his own livelihood. Over the next handful of years, Henry sold the general store and handed the role of postmaster to a successor, U.G. Swartz. Then he devised a plan to make use of his earnings from the Standard Oil land deals.

Henry decided he would become a banker, serving the same community that had come to rely on him as shopkeeper and postmaster over the years. On April 21, 1895, at the age of fifty-one, Henry founded Bank of Whiting with \$35,000 in capital. The years of trusted service Henry had provided paid off: on the bank’s first day of business, clients deposited \$5,698.05 with the institution located at 1738 119th Street.

Ironically, the same year that Henry rose to even greater prominence by providing a secure institution for the community to deposit its assets, Henry’s father, Christoff, suffered a high-profile breach of security. On the evening of March 24, 1896, Christoff was bound, gagged, and robbed of \$50,000 in cash, bonds, and mortgages by two men who posed as interested renters of a cottage on Christoff’s property in Chicago. The cash and documents had been held in an unlocked safe.

Whiting, Indiana, incorporated as a town the same year as the bank’s founding, on October 1, 1895, though the contentious process had begun right after Standard moved to the area. Nearby towns, hoping to annex the unincorporated land owned by Standard Oil, drew out the affair. “After Standard Oil moved in, there was a huge attempt by Hammond and East Chicago to try to gobble up everything that was around them,” says Hmurovic. “Whiting was kind of caught in the crosshairs. Hammond’s goal was to get some lakefront land within their city limits, since they were actually located a few miles south of Lake Michigan. Hammond ended up incorporating an area known as Robertsdale, which is a community that, in my mind, is actually more a part of Whiting than Hammond, even to this day.” Henry was elected as a city official upon Whiting’s incorporation as a town, and would go



Henry Sr., facing page, capitalized his bank through fees earned by assisting Standard Oil acquire property in Whiting. Henry’s eldest son, Henry Jr., above, assisted his father as a teller and eventual vice president. Henry Jr. preceded his father in death, passing away in 1928 at the age of fifty-eight.

on to serve as an alderman after Whiting incorporated as a city almost a decade later, in 1903.

By the end of 1898, twenty-nine-year-old Henry Jr. assumed his father’s former role of postmaster, having been in charge of the post office from 1892 to 1896. After two and a half years as

postmaster, Henry Jr. resigned to become teller at Bank of Whiting. In a 1904 accounting of the history of Lake County and the Calumet region, Henry Jr. was still listed as teller, but by the time a 1915 history of the region was produced, he was referred to as the bank’s vice president. Henry Jr. owned rental properties along the avenue that carried his family name, and he was active in the local Lutheran church as well as the Republican party. He had a reputation of affa-



bility and strong character. “In Whiting he is well known, and his social qualities have made him popular with a large circle of friends,” read a description edited by Reverend T.H. Ball in the book *Encyclopedia of Genealogy and Biography of Lake County Indiana, With a Compendium of History 1834–1904*. “And the fact that many of his staunchest friends are those who have known him from early boyhood is an indication that his salient characteristics are those which command respect, confidence, and good will.”

But it was Henry Jr.’s youngest brother, Walter, who appeared destined to carry on the family’s leading role in the town’s banking and civic arenas. After attending the University of Wisconsin, Walter went to work for his father’s bank as cashier. In 1909, Walter married Lois Coffin, and together they had three children: Genevieve, Virginia, and Walter Jr., who was born August 28, 1912, and widely known as Wally. Walter Sr. became

a member of the school board at age twenty-two, maintained membership in at least a half dozen clubs and fraternal orders, and served as the treasurer of both the Whiting Pure Ice Company and the fire department. By 1913, he was elected mayor of Whiting, beginning the first of four consecutive terms as the city’s top leader.

Walter Sr. saw Whiting through a period of significant growth and development. During the decade Walter Sr. became mayor, Whiting’s population grew from just over sixty-five hundred people in 1910 to more than ten thousand in 1920. Although Whiting’s 1903 incorporation as a city brought with it amenities like a waterfront park and public library, Walter Sr. was faced with basic quality-of-life issues for the community. Even as a downtown formed around the bank, which relocated from 1738 119th Street to a two-story building at 1500 119th Street in 1910, the sand that had made the region so inhospitable still had not been abated. “There are stories about how back in the days when Henry had his general store, and even into the time when Henry had his bank, people were walking in knee-deep sand,” says Hmurovic. “There were no sidewalks.” Walter Sr. oversaw the development of more paved streets and wooden sidewalks, as well as the addition of a playground to the city’s waterfront park.

But Walter Sr.’s greatest challenge as mayor was ensuring a safe, steady supply of water for Whiting’s citizenry. “There was concern about cholera and other things that were passed along with bad water,” says Hmurovic. “And in an area with an oil refinery in pre–Environmental Protection Agency days, when companies could do whatever they wanted to do to manufacture their products, water safety was a particular issue.” In the 1910s, Walter Sr. championed the establishment of a filtration plant for city water.

Henry Sr.’s youngest son, Walter Sr., above left, served as mayor of Whiting as well as president of the bank. He married Lois Coffin, above right, and had two daughters and a son. Facing page: Walter and Lois’s son, Walter Jr., who went by “Wally” throughout his life.



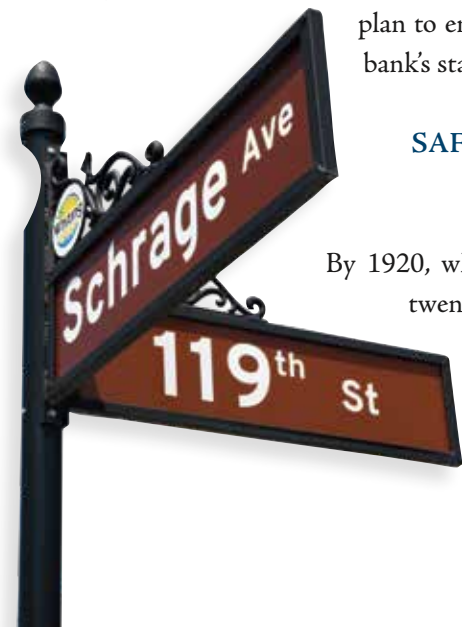


Henry Sr. built a twelve-bedroom home at 2006 Schrage Avenue that took up a full city block—enough room for Henry to indulge his interest in bee-keeping in the home’s yard. In 2009 the City of Whiting acquired the Schrage family mansion, partnering with the family to restore the exterior and gardens. Above: The Schrage family crest.

Even as Walter Sr. took on greater responsibilities within the city and the bank—he was named president of the bank in 1917—Henry Sr. continued to take an active role, despite entering a semi-retirement that allowed him to spend more time at his residential property in Whiting, tending to his bees and raising chickens. Henry Sr. had originally purchased two square blocks, building a twelve-bedroom home on one of them, at 2006 Schrage Avenue. At what became known in town as the Schrage Mansion, Henry Sr. busied himself with bee-keeping. Henry Sr. incorporated a second bank, East Chicago Bank, at the end of 1909, made the decision to have Bank of Whiting designated as a state bank, and continued to take an active role in the Bank of Whiting as chairman of the board. (East Chicago Bank was renamed East Chicago State Bank in 1917 and closed in 1932.) Henry Sr. remained so engaged in the bank's affairs and the wider economic climate that when the nation faced a grave reversal of fortune, he devised a bold plan to ensure the bank's stability.



Walter Sr., facing page, played a prominent role in Whiting's history beyond the bank. He served four terms as mayor, overseeing development of the city's water filtration system. Clockwise from top: A postcard from the early twentieth century; one of Walter's campaign buttons; and a modern-day street sign.



SAFEGUARD AGAINST DISASTER

By 1920, when the bank celebrated its twenty-fifth anniversary, deposits totaled over \$1.75 million. The United States as a whole enjoyed rapid expansion of its economy

through-out most of the 1920s. As a whole, the country shifted from primarily rural to urban and a large swath of Americans joined a more affluent, consumerist society. But the Roaring Twenties came to a deafening crash in October 1929, when the stock market plummeted over two days of record sell-offs. Consumers stopped spending, investment money dried up, production slowed, unemployment increased, and the number of destitute Americans climbed as the United States entered what would come to be known as the Great Depression.



Despite a June 1931 banking crisis in Chicago that had panicked depositors flooding in to withdraw their assets, Whiting fared better than other parts of the nation during what would become the worst economic downturn in industrialized world history. "Actually, it was insulated," explains Hmurovic. "Whiting weathered the Depression much better than any of its neighboring communities and most cities in America, and that was primarily because of Standard Oil. Standard Oil's leaders realized that even though there was a Depression, there was still a demand for what they were producing, so they needed to make sure that everything in Whiting was stable." In 1931 Standard Oil established the State Bank of Whiting—a separate institution that stood kitty-corner from Henry Sr.'s Bank of Whiting—and absorbed two failing small local banks. But Bank of Whiting still kept Standard Oil as a top priority. In 1932, it continued to stay open until 8 p.m.—five hours past the normal 3 p.m. close of business—on Standard Oil paydays.





In 1911, Bank of Whiting celebrated its one-year anniversary at its new location, 1500 119th Street, on the corner of New York Avenue and 119th. Left: A bank bag used to transfer cash deposits. Above: Walter Schrage Sr. reviews documents inside Bank of Whiting's 1738 119th Street bank office. This is the only known surviving photograph of the interior of the bank's first location, which opened April 21, 1895.



Still, Standard Oil did have to lay off employees, and many Whiting residents faced such economic hardship that they could not meet the financial obligations they'd made in better years. The Bank of Whiting did not turn their backs on these members of the community. "I've seen a lot of old call reports going back to 1933 when the FDIC formed," says Joe Erpelding, who joined Bank of Whiting in 1981 after working for its outside public accounting firm and went on to serve as comptroller and senior partner before retiring in 2018. "I saw call reports that showed there were years during the Great Depression when the bank made no money. And I've heard the stories about the Schrage family never foreclosing on a house, never throwing any

Walter Sr., facing page, took over as president of Bank of Whiting in 1917, balancing bank and mayoral duties. Above: Walter above the H during a city event, with his son, Wally, to his right.

family out of their home." Instead, the Bank of Whiting made temporary arrangements that allowed residents to stay in their home until their financial situations recovered. "A lot of those people had jobs with Standard Oil and were temporarily unemployed. The Great Depression was terrible: these people were in breadlines. But the Schrage family stood by the people. They worked with them." Erpelding says the bank's generous policy on residential foreclosures continued beyond the Depression. "In the thirty-seven years I worked at the bank, with all the mortgage problems that have gone through their cycles over that period, I can never remember a year that we foreclosed on more than one or two houses."



Henry Sr. also did his part to ensure stability in Whiting by establishing a fifteen-year trust that would back his bank's deposits after his death. He named Walter Sr. as trustee—his oldest son, Henry Jr., had died in 1928 at the age of fifty-eight—and pledged his entire estate to cover any of the bank's assets that went under. "A lot of people defaulted on their loans," recounted Doris Schrage, wife of Henry Sr.'s grandson, Wally, to the local newspaper, *The Times*, in 1999. "Any loans that went bad, he said would be paid out of his estate."

In his last will and testament, which he signed in August 1932, Henry Sr. made his commitment to the bank and its clients clear. "My faith in this bank is absolute. My association with its depositors has been a great satisfaction to me. Above all things I desire that these depositors shall feel secure and that their deposits shall always be promptly and fully paid, and so I direct that for a period of fifteen years from the date of my death, said trustee shall use, whenever he shall so desire, any or all of the trust estate in his hands . . ."

The move boosted depositor confidence and established a precedent that would reverberate through the Schrage family for generations to come. "When Henry put his estate in trust to shore up the loans of the bank, he pledged his entire fortune to protect the bank," says Mike Schrage, Henry Sr.'s great grandson, who became chairman in 1982. "His assets couldn't be touched by any of his children or grandchildren until after a period of time he believed it would take

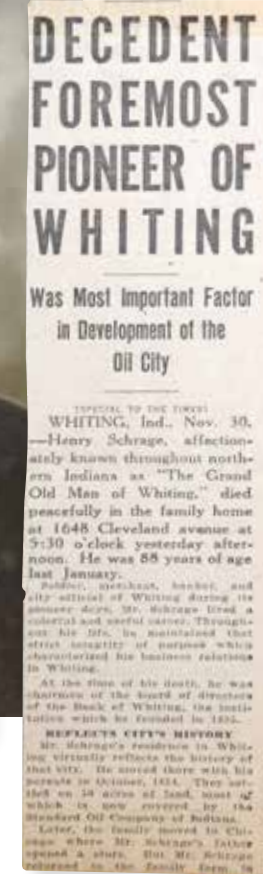
the country to recover from the Depression. And that's what kept the bank afloat during that period."

When Henry Sr. died in November 1932 of stomach cancer at the age of eighty-eight, he was celebrated not only as Whiting's oldest citizen but as a founding father who established and maintained one of the city's cornerstone institutions. "Soldier, merchant, banker, and city official of Whiting during its pioneer days, Mr. Schrage lived a colorful and useful career," read the obituary that appeared in the region's local newspaper, *The Times*. "Throughout his life, he maintained that strict integrity of purpose which characterized his business relationships in Whiting."

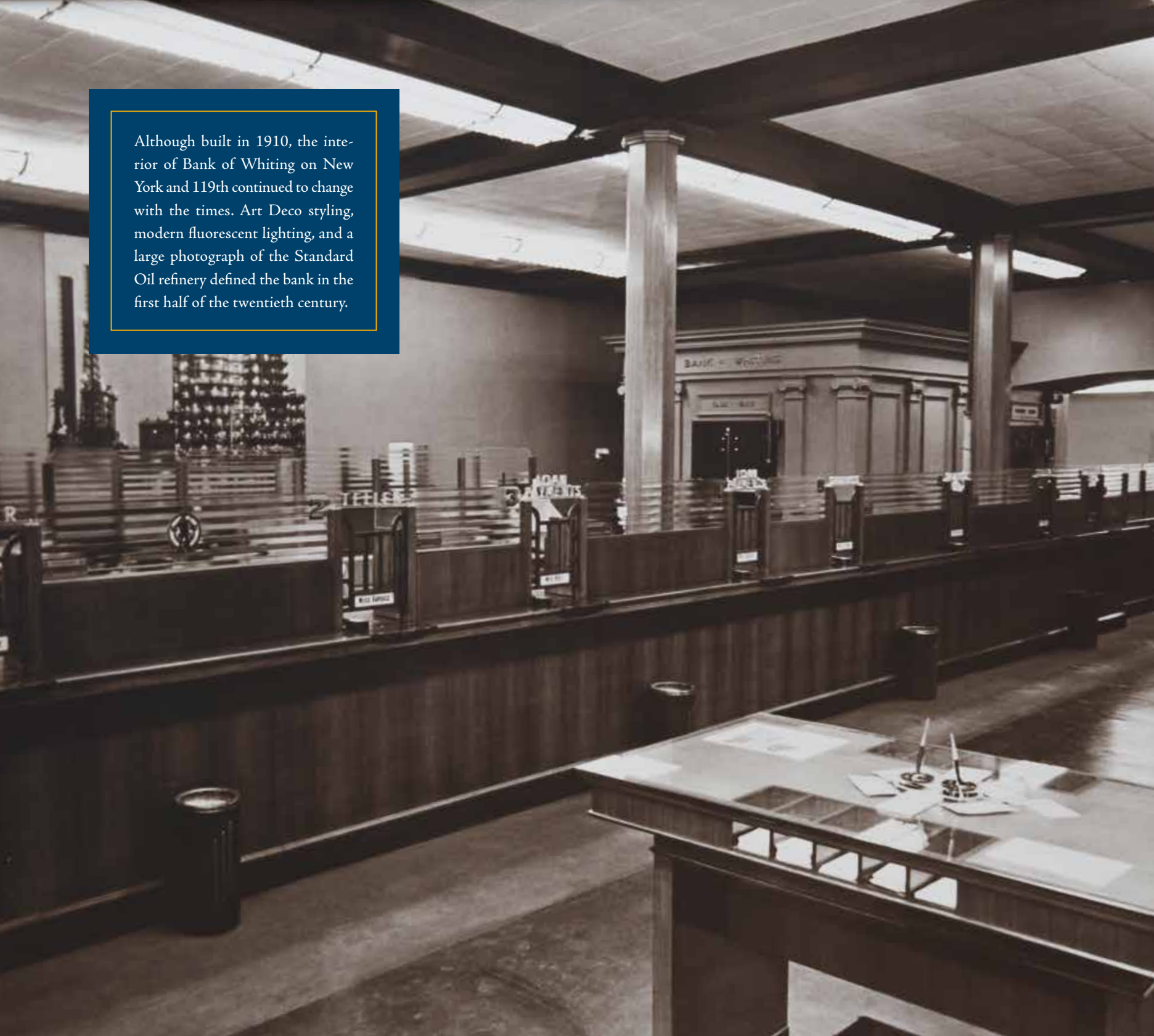
But more than his heralded contributions to a community he had served since its infancy, Henry Sr. set an example for his descendants that would persist for more than a century after the bank's founding. Henry Sr.'s decision to stake all of his earthly possessions in the preservation of the bank instilled the belief that the Schrage family were not owners of the bank so much as stewards of it.



Whiting Loses Last Civil War Veteran
With the passing of Henry Schrage, 88, who died November 28, Whiting lost its last veteran of the Civil War and his seat at the American Legion for one of its greatest friends. Among the parties that Mr. Schrage was to serve, Lakeland Mountain, Chattanooga, and Sherman's March to the Sea.
Mr. Schrage was laid to rest in Oak Hill cemetery, in Hammond, December 2, with Whiting just conducting the Legion industry funeral.
Throughout the year, Whiting got had a special display in Mr. Schrage's honor, and many who expressed its sympathy at the occasion from its very beginning.
Whiting has the 50th anniversary display appropriate to the honored family, and which will give it their best.



After Walter Sr. took over as president, Henry Sr., facing page, served as chairman and enjoyed a semi-retirement that included bee-keeping. When Henry died in 1932, he was honored with articles about his significance to the community, above.

A black and white photograph of the interior of the Bank of Whiting. The scene shows a long, dark wooden counter with several service windows. Behind the counter, there are signs for 'OFFICE' and 'ADJUTANTS'. The ceiling is high with a grid of fluorescent lights. A large pillar is visible on the left side. The overall atmosphere is that of a classic, early 20th-century bank interior.

Although built in 1910, the interior of Bank of Whiting on New York and 119th continued to change with the times. Art Deco styling, modern fluorescent lighting, and a large photograph of the Standard Oil refinery defined the bank in the first half of the twentieth century.

2

A MODERN BANK

By 1933, the year following Henry Schrage Sr.'s death, nearly half of the country's banks had gone out of business. President Franklin D. Roosevelt declared a weeklong suspension of all banking services and transactions in March of that year, which brought the panic under control, but around four thousand of the country's banking institutions would never recover.

Bank of Whiting, however, successfully weathered the Great Depression thanks to Henry Sr.'s establishment of a fifteen-year trust that pledged his entire fortune as a hedge against failing assets during the Depression. After the founder's death, Henry Sr.'s youngest son, Walter E. Schrage Sr., who had served as president since 1917, took over as chairman.

Walter Sr.'s son, Wally, joined the bank as a clerk in 1933, though he would leave the bank to become president of Straub Pianos Inc. A legendary piano company headquartered in nearby Hammond—namesake of the famed Hammond upright piano—Straub had fallen on hard times following changing consumer preferences and the tightened spending of the Depression. In short succession, Straub went into a friendly receivership followed by an adjudicated bankruptcy. When Straub was repossessed by Bank of Whiting and reorganized as a new company in March 1937, it was with Wally installed as president. In 1940 Straub Pianos Inc. moved from Hammond to Chicago Heights, and by October 1941, Straub had been sold.

That same month, a far greater disruption to Wally's life occurred when Walter Sr. died suddenly at the age of fifty-six and Wally was pressed into service to lead the bank. He was only twenty-eight.



By the 1940s, Whiting's population had begun to decline, down to 10,307 people from its peak of 10,880 in 1930. Nearby Hammond continued to grow, reaching more than 70,000 in 1940 and breaking 100,000 two decades later. In the mid-1950s, Wally and Doris would move their family to Hammond, but Whiting's downtown remained home to the bank.

Within a few years of Wally's arrival at the bank, his partnership with Doris had evolved into a romantic one. It was not the first relationship for either of them: Wally had been in a brief marriage with a young woman named Leota, which did not result in any children, and Doris had been engaged. "I remember my mother telling me that she was engaged to a man in the service but she broke the engagement," says Pat. "I just always got the impression that she met my father, and that's when she broke off the engagement." Doris and Wally were married January 20, 1944.

RIGID EXPECTATIONS

Whiting in the 1940s retained the feel of a prosperous, small-town community during World War II and the post-war years. It was a bit more blue collar than nearby Hammond, which was captured in the reflections of storyteller Jean Shepherd—most notably in the 1983 movie *A Christmas Story*—who grew up in Whiting's neighbor to the south. Whiting High School's cheerleaders appeared on the cover of *Life* magazine in 1941, and by the end of the decade, an estimated twenty thousand people were showing up for the annual Labor Day event at Whiting Park.

Whiting's population, made up mostly of people of German and Eastern European descent, hovered at just over ten thousand people, just as it had for the two decades prior. Standard Oil was not the only major employer to the community: Federated Metals, a smelting and refining company, had opened a facility on the corner of Indianapolis Boulevard and New York Avenue in 1937. Wally liked the blue-collar community of Whiting, rejecting a move to the communities farther south where the area's professionals were increasingly congregating. "My dad was extremely involved in all Whiting charities and fraternal organizations," recalls Mike. "But he really didn't want anything to do with country clubs. What he enjoyed was going to Lions' pancake breakfasts or whatever the Kiwanis were doing or the Moose or the Elks—back-slapping within those particular civic or service groups. He was big in the



Fraternal Order of Police and always gave the policemen their guns and awards."

Wally and Doris purchased a home at 1720 Cleveland Avenue, and in December 1945 their first child, Patricia Lee Schrage, was born. Her brother, Michael Eugene, followed in February 1948. Mike recalls being very aware of his place in the community as heir apparent of the Schrage family bank. "I was a marked kid there because of my family's prominence. When I was born it was like, 'There's the next president in the bank.' I kind of felt like I walked around with that tattooed on my forehead as I went around the neighborhood, or got into trouble, or was on different teams. I mean, I couldn't go in to the library without the librarian knowing who I was and asking about my family."

Beyond recognition as a member of the Schrage family, the Bank of Whiting did not register much importance to Mike as a youth. "The bank was never brought home at the dinner table for discussion," says Mike.

Pat doesn't recall her parents discussing the bank at the dinner table either, but she does have fond memories of being included in the bank's social activities and developing a bond with the associates. "I remember the fun things we did, like going to the summer picnic, being in the Fourth of July parade, or going to conventions," says Pat. "To this day, when I see some of these people that were there when I was younger, they sort of feel like family."

The only early exposure to the business side of the bank Mike and Pat received was when their mother would take them to the bank with her to make a deposit at the end of each year. "On the last banking day of the year, she would take in her coin box—a cigar box that my father would always dump his change into at the end of the day," recalls Mike. "She wanted to make sure that it was counted in the bank's assets so that the deposit would grow the bank, even by the amount of the coins she had in the coin box. She was all about growth and competitiveness."

A COMPETITIVE SPIRIT

From a parenting perspective, Doris focused most of her energies around growth and competitiveness on Mike. "I was brought up by

my mom, not my dad," says Mike. "My sister paired off with my dad, who was kind of the laid-back, easy-going guy. I paired off with my mom, who was the dynamo, and take no prisoners, full speed ahead on everything. She always wanted me to be equal to if not better than my sister."

Pat agrees that her parents had contrasting temperaments.

"I would say they were very different," says Pat. "He was definitely the more introverted. Maybe when it was just the two of them alone he had more input, but as a family and in everything that was outward-facing, it always seemed that she was more the leader."

Doris seemed determined that Mike would grow into a leader. She encouraged both Pat and Mike to be involved in local activities, but she often placed Mike in the same age

grouping as his sister despite her being more than two years older. "If she could get around any laws or restrictions, she would so that we could be in the same, for example, Easter egg hunt. Or, as soon as my sister was tall enough to go on the roller coasters and parachute rides at Riverview Park in Chicago, my mother would stuff my shoes so I was an inch taller and be able to go on these things too. She was always intent on that—

to a fault in a lot of ways." Doris's insistence on Mike performing beyond his stage of development instilled within him a heightened need to prove himself, a trait that manifested as competitiveness and workaholicism.

Mike channeled his competitive spirit into sports, particularly baseball and basketball in his youth. "I was always small for my grade, within my group of friends, and among my teammates," says Mike.



MR. GUSTAVE H. PETERSON, vice president, Bank of Whiting, is retiring after 37 years of service with that institution. The directors, officers and staff members honored Mr. Peterson at a dinner at Vogel's on Monday evening, February 23rd. In picture by Times-Graff, Walter E. Schrage, president, is shown presenting Mr. Peterson with a plaque containing a scroll in recognition of his service. Charles O'Drobinak (right) executive vice president and Frank J. Kowalski (left) vice president and cashier are looking on. Another gift was given to Mr. Peterson by Robert Strisko on behalf of all the employees. Mr. Peterson's retirement becomes effective April 1st after a month's vacation.

Wally, shown second from right at an event honoring the retirement of a longtime associate, purchased his first home with Doris at 1720 Cleveland Avenue, facing page, in 1945. They would remain in that home for about a decade.



Wally, third from left, was popular with associates and the community alike, taking part in several service clubs and fraternal orders. Banking industry networking events in nearby Chicago formed the core of the social life he shared with Doris, fifth from right with hands clasped.

"I wasn't picked on, though. I was very athletic, even though being of small stature, and so I earned the respect of the playground mates and teammates just by my tenacity and competitiveness that my mom had driven into me." Often, though, the youth sports that Mike enjoyed participating in bumped up against the frustration he felt by being so closely identified with Bank of Whiting. "I always ended up on the Bank of Whiting team despite there being tryouts and a process by which the different coaches picked their teams. And it got so that I didn't feel comfortable with it; I didn't feel I could be my own person." One year Mike spoke up after he was again placed on the Bank of Whiting team.

"I asked the coach that picked me, 'Why do I always get picked to be on the Bank of Whiting team?' He looked at me, surprised, and said, 'Well, how could you play for any other team?' And I said, 'Real easy.'" But there was an even greater level of injustice. "All my friends were over on the Dairy Queen team and when they won, they got free ice cream."

Mike was elated when, after he completed second grade, his parents decided to move to the Robertsdale neighborhood of Hammond. On paper, Mike's life did not look so different than it had in Whiting. "It was still a very blue-collar neighborhood: we all had paper routes, cut the grass, walked to school, and all those things. But I felt more independent over there," says Mike. "I didn't have the onus of walking down the street and everybody knowing who I was. Bank of Whiting wasn't tattooed on my forehead anymore. I played on Phil Schmidt's little league team or whatever team I would be picked for."

The family moved to 1623 Caroline Avenue, which would be their home for decades to come. "We only had the two houses," says Pat. "I even moved back there after college, when my husband was in Vietnam."

TIES THAT BIND

The family maintained a close nuclear-family relationship, with limited interaction with extended family. "There was very little talk of family," says Mike. "There were no family reunions. The family was the four of us, basically." Mike has isolated memories of seeing his grandmother Lois, Wally's mother, but they were not pleasant visits. "My only memories of her is living in Hammond in this house that we'd have to go visit. My dad didn't want to, but my mom, I think, insisted we go every once in a while. She was just holed up in this house with newspaper covering all the windows and stuff stacked everywhere. I couldn't wait to leave."



Visits to Mike and Pat's maternal grandparents, Dallas and Marguerite Smith, could not be more different. Dallas had worked at a refinery in Whiting, and after retiring purchased a hobby farm in Rochester, Indiana. Wally, Doris, Pat, and Mike would spend about one week there every summer, and Mike found the novelty of being around the farm animals thrilling. "It was the whole experience of nature," says Mike. "My grandfather had cows, horses, chickens, and hogs—he had a couple of everything. My grandmother would wake me up in the middle of the night to go watch a lamb being born. We would go out there and she would deliver it."

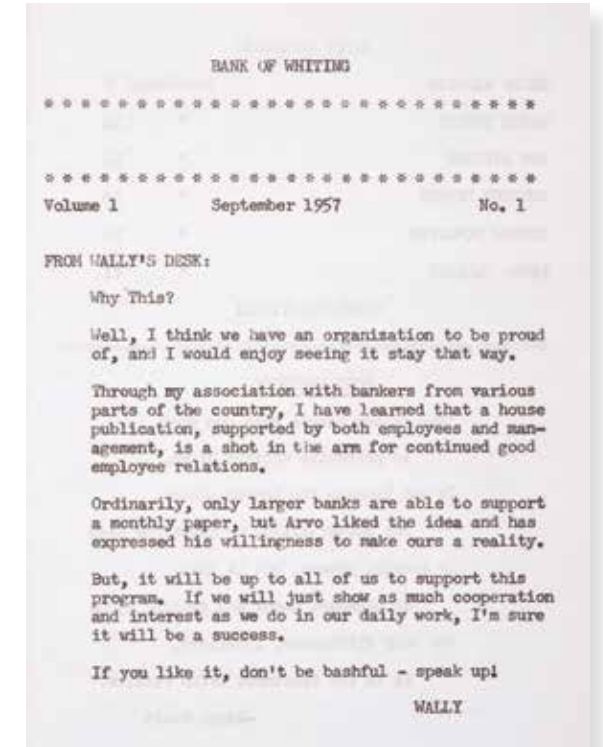


Pat's children recall hearing her fond memories of the Smiths' farm. "My mom would talk about her set of grandparents who had a farm," says Scott Hinshaw, Pat's oldest of her three children. "She would always talk about being active at the farm as a little girl."

Even Wally felt more active and free at the farm. "It was a playground for us, but my dad seemed to totally love it out there also," says Mike. Wally would borrow Dallas's open-air Jeep, and have his children pile in for an adventure. "He would take us rumbling through the woods and down to a swimming hole. It was one of the highlights of my early years."

Wally also seemed to enjoy other trips the family would take during summer vacation, making the most of the time away from

Mike enjoyed the relative anonymity that came after the family moved to the Hammond home at 1623 Caroline Avenue, above. Also in Hammond was Wally's widowed mother, Lois. Facing page, from left: Wally, Doris, Lois, Mike, cousin Donald Houser, cousin Carol Houser, and Pat.



the bank required of officers each year. "My parents were really good about taking us on vacations," says Pat. "I can still remember asking my dad when I was fifteen if we could wait one more year to take a cross-country trip so that I could drive." Wally did not agree to postpone the trip, and the family embarked on a six-week-long trip to the West Coast and back with Pat as a mere passenger.

Sometimes the family trips were tied to business, usually attending bankers' conventions if the location was a good family destination. Doris and Wally would take their children out of school for three days each October so they could be included in the trip and benefit from the wider worldview that travel offered.



THE "OLD" MET UP WITH THE "NEW" when the owner of a 1913 Model T Ford drove up to the Bank of Whiting Drive-in banking window this past week to transact business. Rudy Ambrosy the owner, has completely renovated the car which formerly belonged to his father, and now participates in many parades in cities of the midwest.

Bank of Whiting unveiled the town's first "drive-in banking window," on February 14, 1958. The window was installed on the alley off New York Avenue, allowing clients to make mortgage payments and deposits without leaving their cars.





“When I was in fifth grade, we ended up in Florida and took a side trip to Puerto Rico,” says Pat. “My teacher said my assignment for being gone was to write about Puerto Rico and what I saw and what I did.” The Schrage family also frequently socialized together with other banking professionals based in Chicago. “We got to know bankers from Chicago at the various conventions we attended,” recalls Pat. “I ended up inviting some of them to my wedding because they had become close connections that we saw often.”

AWAY FROM HOME

The Schrage family’s day-to-day structure was altered when Mike went away to school at age fourteen. Mike left home to attend Culver Military Academy, an all-boys’ preparatory school founded in 1894 on Indiana’s Lake Maxinkuckee. By 1971, Culver opened a girls’ academy, but the girls’ school never followed the strict military-type exercises and traditions that have come to characterize the school Mike attended. When Mike first visited Culver with his parents, he was eager to attend—but not because of the cadet system and rigorous academics. He wanted to go for the basketball.

Culver Academy had never been mentioned by Mike’s parents until he reached seventh grade, and he was not even aware that his own father had attended the boarding school during high school. “They had never talked about Culver, and all of a sudden Culver Academy was playing Whiting in basketball and my dad was asking me, ‘Why don’t we go over and watch Whiting play?’ I was all in to watch them; I was all in to watch any basketball team or sports event.” Nothing further was discussed about Culver until the following year, when the military prep team again squared off against Whiting in basketball, but this time at Culver’s campus. Again, Mike’s parents’ approach was low-key, asking if he would want to visit Culver to watch the game and take a look around campus.

“I said, ‘Sure, Dad. You know I’ll go watch any sports event whenever you want to go,’” recalls Mike. “But unbeknownst to me they had planned for me to do the admission test while we were there. We went down early, looked at the campus, and met some people at the school. One of them said, ‘Oh, as long you’re here, why don’t you fill out this little document.’ I was a little perturbed about that—it caught me off-guard a bit—but when I saw the campus, I just fell in love with it. Their athletic facilities were not anything I’d ever seen.” Mike agreed to attend, and the family returned home to Robertsdale.

Nothing during the tour or basketball game had revealed the school’s military structure to the eighth grader. “So when I reported to campus in the fall of 1962, I had one rude awakening,” says Mike. “I had to turn over my civvy clothes and it felt like I was joining the army or something. I was given the uniform, my parents went off, and there I was, not knowing one person out of 810 guys. There were a couple of cryful nights, but I told myself, ‘I came here, I’m going to use the facilities and play basketball. I can get through this.’” Mike bided his time until basketball season, focusing on his studies and playing intramural soccer.

When winter sports rolled around, Mike tried out for the freshman basketball team. At five feet, two inches and eighty-nine pounds, he did not look like a shoo-in, but he impressed the freshman basketball coach with his drive and determination and survived multiple

rounds of cuts during the tryouts. The thing is, those same qualities—Mike’s tenacity, aggressiveness, and competitiveness—had also caught the eye of the school’s wrestling coach, Colin Stetson, during gym class. “And he needed a ninety-five-pound wrestler on his varsity team,” says Mike.

“So he approached me in gym class a couple of times asking, ‘How is it going with basketball tryouts? You going to make the team?’” Then Stetson did something Mike would not find out about for twenty-five years. He approached the basketball coach, asking about Mike’s chances of making the basketball team. When the other coach told him Mike was going to make it, Stetson asked if Mike would

be getting much playing time. The basketball coach said that Mike would likely be second string, but he’d get to sub in from time to time and would certainly get the chance to practice.

“One way or another the wrestling coach talked the freshmen basketball coach into cutting me,” explains Mike. “I was just devastated: crying again, calling home, and asking my parents to come pick me up. Culver, with its military discipline, was run very much like West Point at the time. Hazing was allowed, I couldn’t go off campus, had to march extra duty, those sorts of things. After I didn’t make the basketball team—the only reason I came here—I was just done. My parents worked to convince me to wait it out till the end of the semester.”



CHAMPION WRESTLERS hold the trophy they helped win at the first Culver Invitational Wrestling Tournament. They are: (r to l) Mike Schrage, 114 lbs.; Wendell Jacobs, 129 lbs.; Mike Thrower, 156 lbs.; and Andy Carson, 167 lbs. See story on page four.

Mike excelled at sports because of his competitive spirit. Not only did that help him on his Little League team in Hammond, facing page, but it served as the cornerstone of his success on the wrestling team at Culver Academies, above.

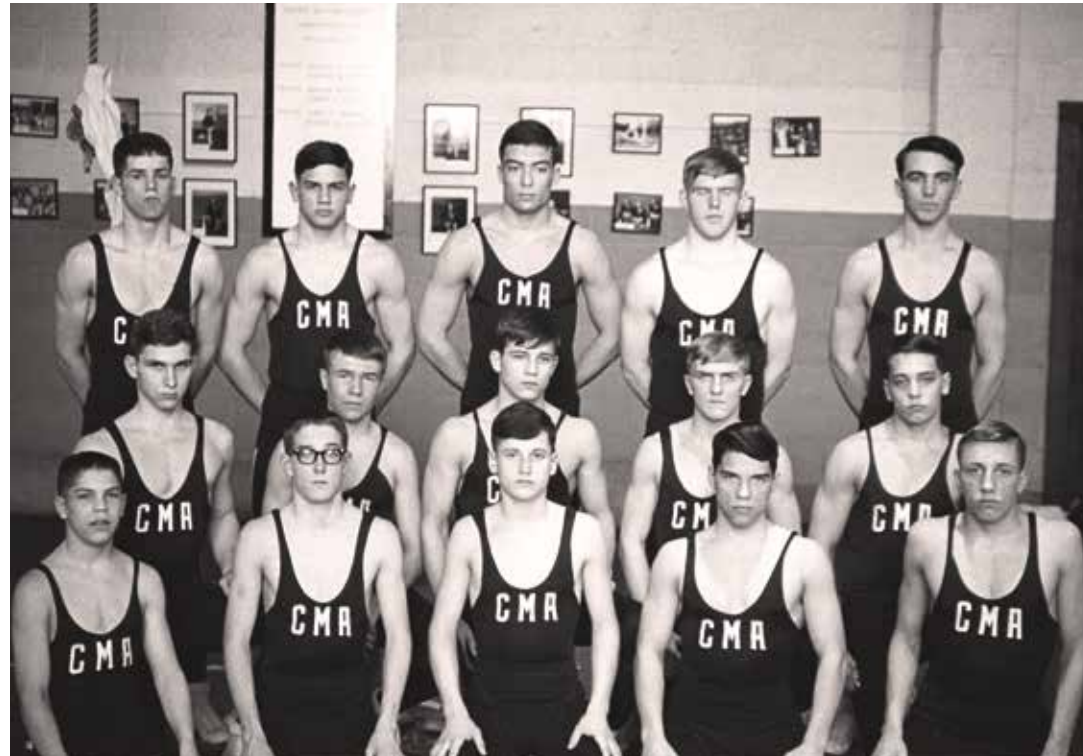
FORMATIVE YEARS

Mike agreed to stay on at Culver until the end of the semester. Immediately after Mike’s failure to make the basketball team, Stetson tried to

convince him to join wrestling. “He worked on me every day for a few weeks in gym class, trying to get me to work out with the team. He said, ‘I know you’re disappointed, but you’ve got to get bigger and stronger for next year’s basketball tryouts. If you work out with the wrestling team, that’s going to help you.’ Without anything else to serve as my true north, I agreed. I started pre-seasons with them and before I knew it,

I was on the wrestling mats and becoming a championship wrestler for them.”

Stetson soon became the most influential adult in Mike’s life. “He was very much a tough, dogmatic coach,” says Mike. “So, I went from my mom to him as my mentor, and I was an alpha male to an extreme because of the two of them.” Although Stetson’s manipulation caused the freshman cadet heartache, Mike excelled at wrestling, making Culver’s Athletic Hall of Fame. Mike ultimately felt grateful for the opportunity wrestling gave him. “I was okay with it because it did lead me down perhaps a better path,” says Mike. “Maybe not personality wise but wrestling was instrumental in my building of stature, success,

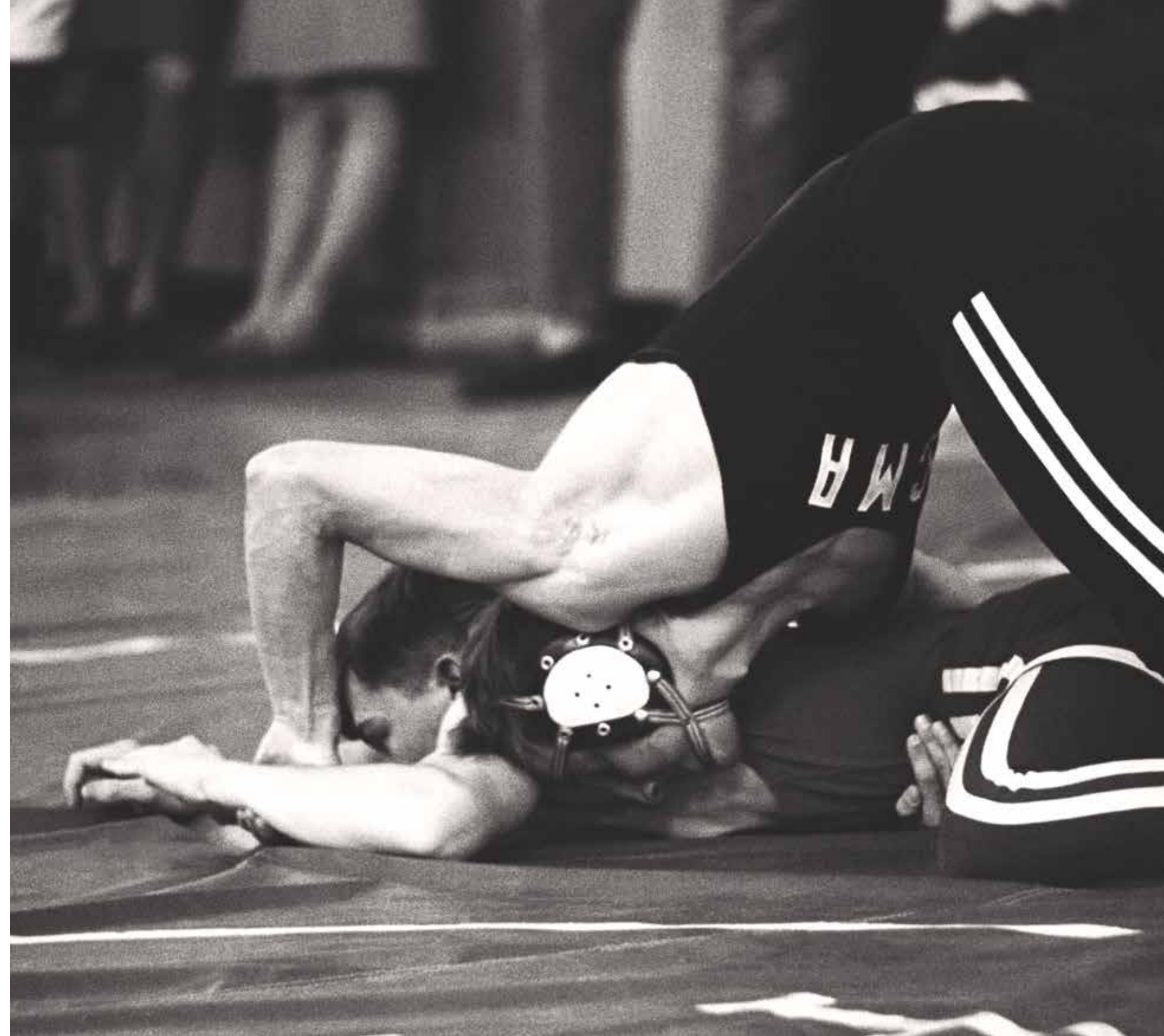


and prominence in the military system at Culver and in the collegiate environment that I went into. It was a door opener for me.” In many ways, wrestling under the coaching of Stetson refined the traits that Mike had already started to develop as his mother’s son, something Mike considers a mixed blessing. “It had a lot of baggage with it about being obsessed with winning and competitiveness but it led to a path of great success and some good qualities as well, especially related to work, that positioned me well for my future.”

Another defining quality, Mike’s workaholic nature, was honed at Culver. Mike succeeded within the military rankings of the school, serving as second in command of the entire student body and earning accolades for his leadership. “Academically, though,

Mike, far right in above photo and dominating an opponent on facing page, took his athletic spirit—a Schrage family characteristic—with him when he attended Culver. Above right: Walter Sr., holding the ball at center, with Whiting’s first basketball team.

Culver was extremely challenging for me,” says Mike. “I have no idea what my IQ is, but I don’t think it’s that high, and I was not the best student.” Whether Mike’s assessment of his intelligence is accurate or not, he did in fact find he had to work much harder than the other students to keep up with his classes. And with Culver’s strict protocols, that was not easy to do. The evening hours from 7:30 to 9:30 were designated as “closed quarters,” where cadets without privileges were not allowed to leave their room. That time was intended for studying. At 10 o’clock, “lights out” was declared, and all studying was ordered to cease. Upperclassmen and faculty patrolled the halls to ensure cadets were in compliance. So Mike would sneak down to the bathroom, where the lights stayed on all night, often studying until midnight.

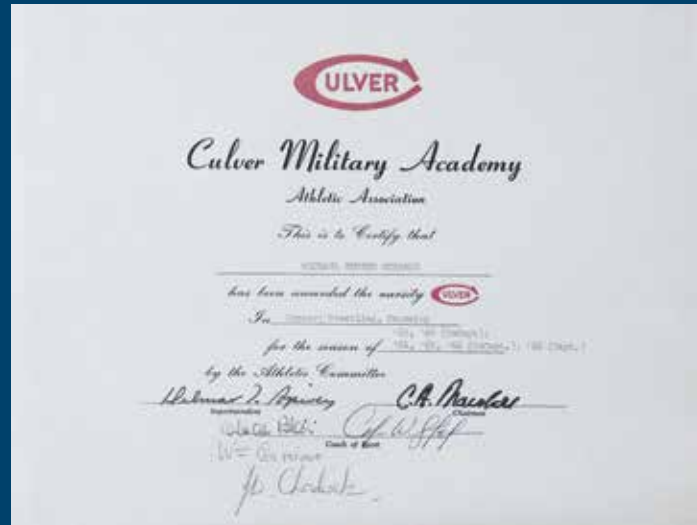
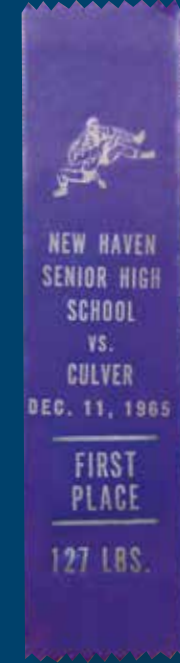




Wally, above and above right, never talked about his time at Culver until Mike was nearly old enough to enroll himself. After a few lonely months, Mike embraced Culver's culture, founding the canoeing team, right, and earning various letters, ribbons, and medals, facing page.



1966





As Mike and Pat, bottom left, became teens, they continued to remain close to Wally, top, second from left, and Doris, bottom right, and attend banking industry events.



Mike also studied every minute on weekends when he wasn't engaged in sports. "It was all about sports first and then studies and then sleep for me—and that was it," says Mike. "I probably put in more hours than any other student, and I was only like a B+ student. That was about the best I could get." One year at Culver, Mike's exhaustion was particularly pronounced. During that time period, when Wally and Doris were at Culver to visit, Mike was always so tired that all he wanted to do was go back to their hotel room and sleep. Later, Mike learned that he had likely been suffering from undiagnosed mononucleosis, the contagious disease most often caused by the Epstein-Barr virus.

CHARTING A PATH

It was frustrating for Mike to feel so challenged in his studies, especially when his sister excelled so easily in academics. "It came easy for her, but not for me," he says. While Mike was away at Culver, Pat

graduated and attended college with the aim of becoming a teacher. She never had any interest in working at the family's bank. "My sister spent one summer in the bank upstairs in the bookkeeping department. She declared that she wanted nothing more to do

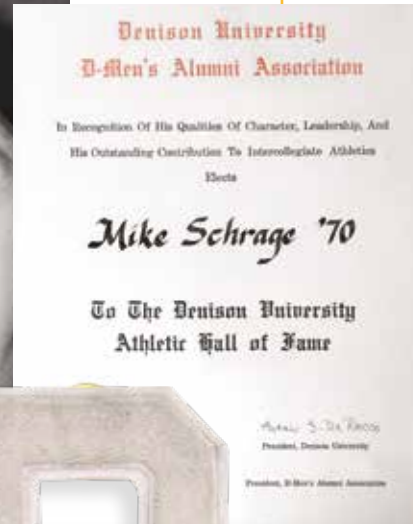
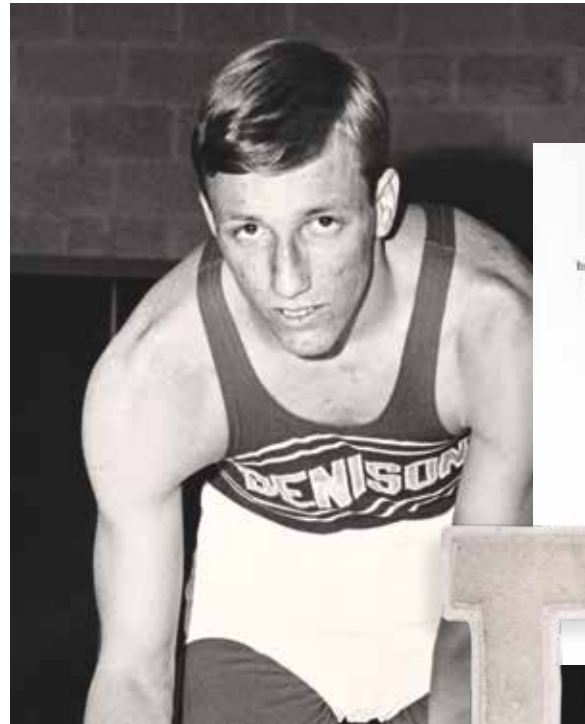
with the bank after that first summer. Instead, she wanted to be a teacher, she wanted to get married, have children, have grandchildren, focus on her home life."

Mike didn't particularly want to work at Bank of Whiting, either. The work he saw his father do at the bank didn't appear stimulating. When Mike worked as a teller during the summer he was sixteen years old, he witnessed his father's practice of handling the monthly bank statements. "At the start of each month, the bank statements would arrive from the outside processor that would print them for us," says Mike.

"The women up in bookkeeping would have been filing the canceled checks in little sorters throughout the month. And each month, when those stacks of statements would arrive, my father would go up to the second floor and spend the day with his executive assistant going through the checks from the files and matching them up with the statements. They would put each statement and corresponding checks in the envelope, seal it, stamp it, and get it ready to go to the post office." Mike figured Wally chose to take on this task so that no associate had to be taken away from his or her job to do it. "He didn't have a lot that he was doing but meeting and greeting—he didn't do loans, he didn't open accounts. He was also the type of man who always wanted to mow his own lawn, so perhaps he also wanted to do his own statements.

Among the promotional events Wally devised was a chick-hatching display in the bank's window. The promotion was a partnership with another local business, which sold the electric fry pans used as incubators—presumably not typically on Wally's desk, facing page.





Or maybe he just enjoyed spending a day with his executive assistant upstairs talking and doing that task. I found it amazing he chose to do it but figured this is what the job of the bank president was. So I was just certain that I didn't want to do that."

From Mike's perspective, Wally seemed to derive satisfaction primarily from the interactions he had with the clients and community. When color TV had just been introduced, Wally purchased one for the bank's lobby and would put on major sporting events like the World Series so that clients and staff could watch the games. Wally sought to make the bank a hub of community activity, putting together a 1957 promotion with the local supply store to hatch baby chicks in

the bank's window or hosting a weeklong Christmas concert series in the lobby that same year. To Mike, Wally didn't seem to be so much of a banker as a greeter. "That summer I worked as a teller I would see him—because he didn't have an office and he didn't even have railings around his desk—and he would just sit up there like the receptionist. People just walked in and plunked down and said, 'Hey, Wally,' and then they'd talk about the Cubs or the Sox or the Bears. And they would just shoot the breeze. I watched this go on and thought I didn't want to do that—that's not me. And so with that sort of exposure to the bank I said, 'Nah, I really don't want anything to do with this place.' It wasn't my idea of an exciting future."

Instead, Mike eventually set his sights on a career in coaching. During the summer between his junior and senior years at Culver, Mike, Wally, and Doris visited colleges around the Midwest: Illinois, Ohio, Michigan, and Indiana. Mike wanted to be able to continue participating in wrestling during college, so he thought a small Division III school would be a better fit than the more competitive Division I schools, where the country's top wrestlers would be jockeying for scholarships. "When I reached the campus of Denison, a small school in Ohio, it was like wow," recalls Mike. "I was just awed by the campus and the setting." Mike knew that a couple of graduating Culver students went off to Denison University, a liberal arts college founded in 1831—and that some of them were wrestlers. His wrestling coach confirmed Denison would be a good pick, and so Mike applied there and to a couple of other small schools in Ohio.

Mike didn't consider his College Board scores that high—they were better in math than verbal—but they were not only high enough to be accepted into Denison, they earned him a spot in a number of advance placement classes.

After graduating from Culver, Mike attended Denison University, a liberal arts college in Ohio. There, Mike became a champion wrestler, graduating in 1970 and being inducted into Denison's Athletic Hall of Fame.





While Mike pursued his education, Wally agreed to open the bank's first branch, in Highland, Indiana, southeast of Hammond. Mike had returned home from Culver to assist in the groundbreaking for the branch, which held its grand opening in 1963.



in economics to prepare him for a career in business or finance, but he found the theoretical focus dull. It was then that a career in coaching came to appeal to him in actuality. It was too late for Mike to switch his major to education, but he enrolled in classes like anatomy and physiology.

Looming over any thoughts Mike had about his future was the specter of the Vietnam War. The United States had been peripherally involved in the struggle between the communist-backed North Vietnamese government and the democratic-leaning South Vietnamese government since the 1950s. American combat units were placed in the Southeast Asian war zone in 1965, and four years later young men throughout the U.S. found themselves living under the dark

“Although I hadn’t taken calculus at Culver, they put me into advanced calculus,” says Mike, who was placed in advanced Spanish as well. “I was just dying the first three or four weeks there. So I went to the dean’s office and said, ‘I’m just not making it. I’m studying my butt off but I can’t keep up.’” When Mike was told placement was based on his board scores, Mike scrambled for justification to lessen the academic rigor. “I figured the only way to get out of this was by saying, ‘Hey, I came here for sports and athletics. I want to be a coach, so I don’t have to take all these advanced science and math and other classes.’ Really, I had no intention to go into coaching even though I said that; it was more of an excuse to get into easier classes.” The ploy worked, and Mike enjoyed a class load that allowed for him to take part in soccer, wrestling, and fraternity life. Mike decided to major

possibility of being drafted into the conflict. On December 1, 1969, the Selective Service held its first draft lottery since World War II to determine the order civilians would be called into service. Each of the 366 possible birthdays were placed into a capsule and drawn at random, with the first birthday to be picked being assigned the number 001 and the last, 366. The government agency estimated the birthdays assigned the lowest two-third numbers would likely be called up and the highest third were likely safe.

The lottery was broadcast on television, and Mike’s fraternity was one of the millions of households tuning in to watch. “All of us from the frat house piled into the TV room to watch them decide our fate in life, as we saw it,” says Mike. “I came up with the number 210. I thought, ‘Not a bad number. Not a safe number, but not a bad number.’”

The early 1960s was a time of change for the bank founded by Henry Schrage Sr. Even before the opening of the Highland Branch, Wally approved the change of the bank’s name to First Bank of Whiting, in 1960, and the remodeling of the Whiting bank building’s interior and exterior, in 1961.



I didn't exactly know what I wanted to do after graduating, but maybe my life was going to be determined for me." Mike applied for jobs at two prep schools on the East Coast that would allow him to coach—his degree did not qualify him to coach at a public school—and also decided to keep the business and finance trajectory alive by applying to three graduate schools with a business administration program. "I decided that if by some stroke of luck I didn't get drafted, I'd give business one last chance—but it would have to be somewhere nice like Boulder, Colorado." As each night's news scrolled the names of the dead and wounded, Mike became increasingly convinced he did not want to be drafted. He decided to accept the offer into the MBA program at the University of Colorado, finished out his senior year, and scheduled a trip to Europe with friends. By the time Mike was set to leave on his European vacation in June, the draft number was already up to 190. "That wasn't a good sign that, a half a year in, they're already at 190, so when I went away for the summer I said, 'I don't know if I'm going to come back or not come back, folks,'" recalls Mike. "Let me know what number they're getting to." But the government agency realized there was a disparity in the rate draft boards around the country were drawing from the available pool, and so Mike's draft board slowed their call-ups. By the end of 1970, they only ended up reaching 195. Mike came back from Europe at the end of his scheduled two months away and planned to head for Boulder, Colorado.

That year, First Bank of Whiting reported total assets of \$32.8 million and total deposits of \$29.9 million—a respectable growth rate over the \$5.8 million in assets and \$5.5 million in deposits the

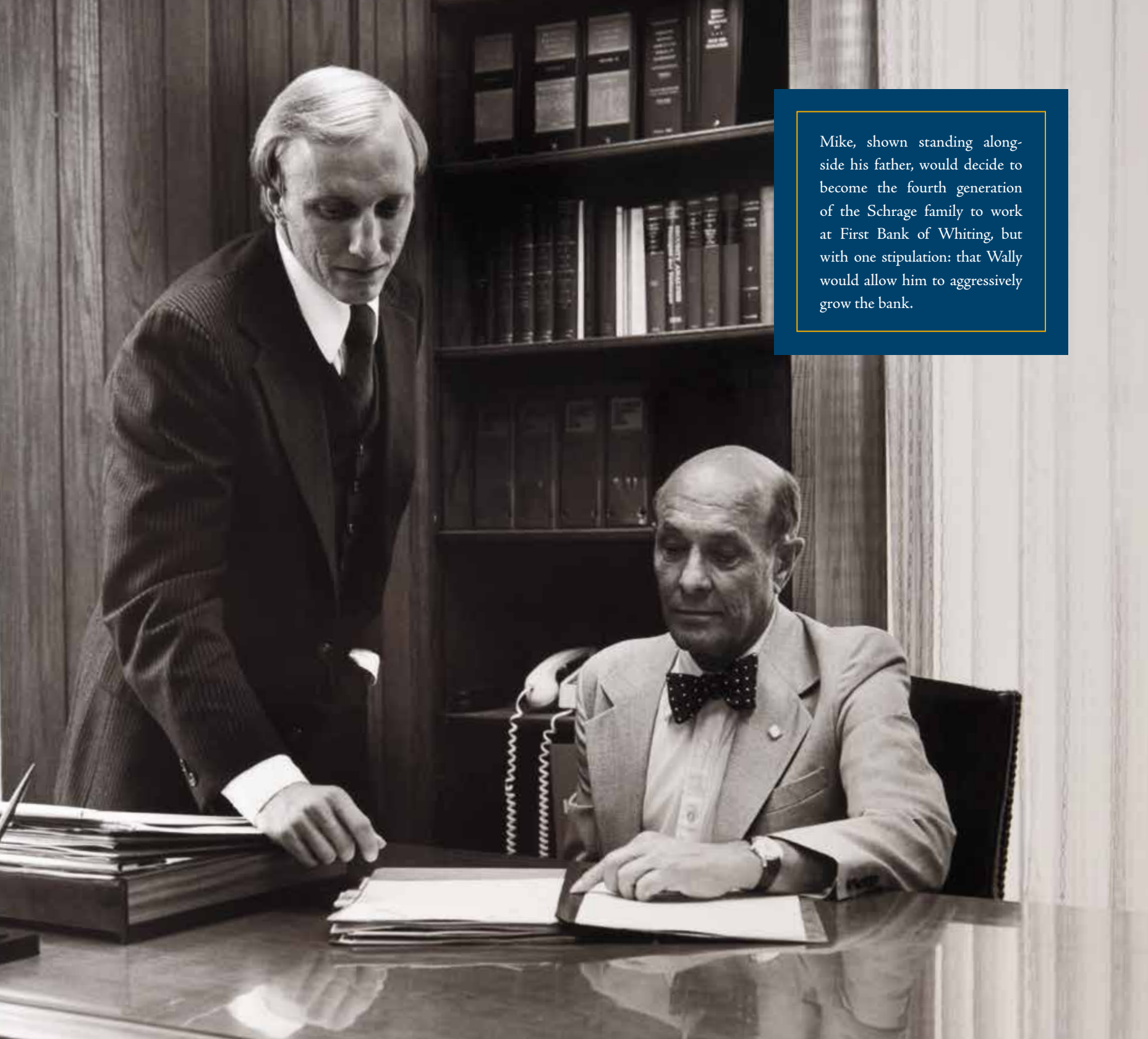
bank showed in 1945, just after Wally took over. In those first thirty-five years as bank president, Wally had reluctantly agreed to open the bank's first branch in 1963, in Highland, a town about ten miles southeast of Whiting. "The board of directors insisted that everybody was moving out of Whiting to locations like Highland and Munster and Griffith, and the world was leaving the bank behind," says Mike. "So a few directors had convinced him to put that branch up. He seldom went to it, though. He'd have the guy he hired to run it come in and report to him monthly. He wanted basically nothing to do with the Highland branch when he was active in the bank."

Although Wally was reluctant to take on change, not everything new came at the insistence of the board of directors. In 1960, Wally was in agreement about the board's recommendation to change the name of the bank from Bank of Whiting to First Bank of Whiting. "In a great move of differentiation and uniqueness," Mike says with a note of sarcasm, "my dad and the directors thought that because there was a State Bank Whiting across the street, clients would become confused. So, they decided they would un-confuse the Whiting public by going with First Bank of Whiting."

Although Mike was dipping his toe into the world of finance by deciding to pursue an MBA, he left for the University of Colorado with the same sense of the president's role in the bank that he'd formed when he watched Wally during high school: glad-handing and maintaining the status quo instead of bold vision and growth.



Wally and Doris, facing page, celebrated First Bank of Whiting's seventy-fifth anniversary in 1970. Although the bank had undergone modest growth and modernization by that same year their son graduated college, Mike did not consider it a dynamic enough organization to entice him to join the family business.



Mike, shown standing alongside his father, would decide to become the fourth generation of the Schrage family to work at First Bank of Whiting, but with one stipulation: that Wally would allow him to aggressively grow the bank.

3

NAVIGATING GROWTH

As Wally turned sixty in 1972, he maintained his routines, both at the Whiting branch and at home with Doris. He and Doris were empty nesters again, with Pat and her young children in their own home after her husband's return from Vietnam. Mike was still in Boulder, completing the Master's in Business Administration program at the University of Colorado. At the bank, Wally continued his practice of maintaining high standards in an exacting but unobtrusive manner while focusing on the relationship side of the business that gave him so much satisfaction.

Although Wally had a fun-loving reputation among the associates, spent most of his time at the bank schmoozing with the clients, and took a backseat to Doris in decisions related to the family, in truth, he had exacting standards for how the bank should be run and did not shy away from enforcing them. "From personal observation, he seemed to rule the bank like a monarchy as far as the internal associates were concerned," recalls Mike. "I mean, you just didn't cross Wally. At the bank—not when he was out socially—he had some orneriness about him. From what I hear, he would clamp down on people, and it was his way or the highway."

Jerry Miller, who had started at the Whiting branch as an officer trainee in 1971 and went on to serve as branch manager of the Dyer office, recalls Wally's habit of walking from his office, located near the entrance of the bank, across the lobby to his executive lavatory, which was at the back of the bank near the base of the stairs to the second floor. "He would get up and walk with his head down, looking at the carpeting, into the washroom and then he'd come back," explains Miller.

A little while after Wally returned to his desk, the phone in the back office would ring, and whichever officer picked up the line would listen intently before hanging up. That officer would then see to correcting whatever Wally had noticed was amiss during his walk to the restroom. The routine always mystified Miller. “I thought, ‘Does he have a periscope in the bathroom? The man never picks his head up.’ I could not figure out how that man saw the things he did.” Although Wally had a firm idea of what he expected out of his associates, he was unfailingly respectful in how he delivered any admonishments. “I never heard the man yell,” recalls Miller.



“He pulled you aside and talked to you, which is the proper thing to do. He was just a nice guy, and in all the time he was in charge of the bank, I never really heard anybody complain about him.”

Herm Stauffer, who joined First Bank of Whiting in 1965 as an in-house auditor and went on to serve as senior partner before he retired in 1997, found Wally to lead in a measured, reasonable manner. “He was understanding, and he listened to you,” says Stauffer. “Of course, like with any CEO or boss, there were times when we disagreed, but he always listened.”

PRODIGAL SON

In the fall of 1972, at the age of twenty-four, Mike moved back to Indiana. Despite Mike’s earlier certainty that he would eschew the family business in favor of a career in coaching, his time in business school had piqued his interest in the power of marketing and strong business initiative, and he believed he could channel those principles

to maximize the bank’s potential. “During the first semester of my first year in graduate school, there were a couple of makeup courses I had to take—accounting and stuff like that—because I didn’t have a business degree,” says Mike. “So, during the first semester I wasn’t certain I really liked the MBA program. During the second semester, I got into courses I really enjoyed: marketing, management leadership, and those sorts of classes. So, when I came back to Indiana after my first year, I sat down with my dad.”

Mike told Wally he would be willing to give banking a try for five years—a period of time that would allow Mike to pivot back to coaching should bank-

ing prove not for him—but on one condition. “As long as we could expand the bank, and he would be willing to open additional branches, I would try it. But I told him I could not work in Whiting.” Wally agreed and even sealed the deal by letting Mike scout a location during his summer break. Mike chose a plot of land in Dyer, a community fifteen miles south of Whit-

ing that had gained national renown in 1923 when it was the test site of “the finest Section of Road in the World,” for the coast-to-coast Lincoln Highway. Wally negotiated the purchase of land with real estate developer Ray Seberger, Jr., who would not only go on to serve as a member of First Bank of Whiting’s board but become related to Wally by the marriage of his daughter, Jill, to Mike.

Within six months of Mike coming on board full time, the Dyer branch was open. Mike orchestrated a grand opening he hoped would make an impression on the community. “In graduate school, I received some big exposure to marketing, and the MBA program’s marketing faculty was very strong,” says Mike. “I was really excited to grow the bank, and I saw marketing being key to that growth.

As Mike, above, took on an early management role at the bank, Wally, facing page, allowed him to take the lead in the development of a branch in Dyer, southwest of Highland.





Mike drew on his education in marketing as he planned the grand opening of the Dyer branch in 1973, left. In addition to the traditional ribbon-cutting, top, Mike devised a plan to create a splash in the community: free helicopter rides for attendees, above.

I also thought there was value in creating a spectacle, and a grand opening in a community was an opportunity for that.” Mike reached out to one of the bank’s clients who owned a helicopter and asked whether it would be possible to use the aircraft for the grand opening. The client agreed. “We then advertised that anybody who came to the grand opening could get in line, and then they and their family could get a helicopter ride over Northwest Indiana.” So many people turned out for the grand opening that Mike never had a chance to go up in the helicopter himself.

Although Wally was pleased Mike decided to give banking a chance and he supported Mike’s aspirations for the bank, he didn’t engage Mike in any meaningful planning or offer tactical insights. If any strategic discussions about the bank happened within the family, they were more likely to occur between Mike and Doris, who maintained a keen interest in matters related to the bank. Three decades after she fought to keep bank leadership in the hands of the Schrage family, Doris remained passionately invested in the bank’s growth and development. “I guess my dad just stayed low key, but I know Mike and my mom talked about things at the bank,” says Pat. “In fact, he and my mom had a few bouts about things they didn’t agree on. She was definitely one that would speak up about things.”

Doris’s assertive nature gave her the confidence to act in ways that she felt would help Mike lead the bank to success. “She was very helpful,” says Jill Schrage, Doris’s daughter-in-law. “She stayed on top of things, she did a lot of reading herself, and she would always share with Mike things that she had read or heard. She would go into the branches. We had just a couple at that time but I do know that, espe-

cially in Highland, they always feared for her to come in because she would come in almost in a demanding way: it was almost like a white glove test. The associates would find out what branch she was going to next and then call that next branch and say, ‘Okay, Doris is on her way.’ So, she was known and she was feared by a lot of the associates at that time.”

Wally, on the other hand, left all of Mike’s training to others. “He never mentored me, never showed me anything to do with the bank,” says Mike. “He paired me up with a senior VP who was going to be the branch manager, Herm Stauffer, and Herm was really one of the only mentors within the bank that I’ve ever had. Herm taught me branch banking and retail banking.”

FINDING A NICHE

Stauffer, who started Mike off working on the teller line, recalls that Mike didn’t appear especially interested in learning about the bank’s daily operations. “When he first came in, he didn’t seem to be that excited about going into banking or being in the business,” says Stauffer. Wally had told him about Mike’s reluctance, and Mike echoed that in his early conversations with Stauffer. Mike’s candor set the stage for his seeking Stauffer’s counsel on both personal and professional matters over the next twenty-five years.

“I was very close to Mike. I do think he came to regard me as a trusted mentor, and over the years he would ask my advice.”

Although Mike was initially ambivalent about working in banking, he sought to connect with his fellow associates. “He was just a regular guy,” recalls Barb Jerzyk, who started as a switchboard operator in 1976 and went on to work as an underwriter in the con-



As Mike took on greater leadership, he enjoyed the confidence of his father and wise counsel of his mother. Facing page: The bank continued to expand with the groundbreaking of the Merrillville branch in 1975.



sumer loan department. “When he introduced himself, he said, ‘I’m not Mr. Schrage. I just want you to call me Mike.’” Although Mike was determined to be seen as a regular associate instead of the gladdening golden boy of a banking dynasty, some interpreted his reserved nature as standoffish. “I think in the beginning, a lot of people were kind of put off,” says Jerzyk. “I just think Mike was more shy and didn’t enjoy stepping into the spotlight so much. I think it just made him uncomfortable until he got accustomed to it.”

Mike worked as a loan and investment officer then branch manager at the Dyer branch for three or four years. At Dyer, his discomfort and lack of enthusiasm at the retail level were apparent to many, but that all changed when Mike transferred to the Whiting branch to take on a more strategic role. “When Mike first came in, he really didn’t seem too sure about it,” says Stauffer. “But when he went to Whiting and started working with his dad, that’s when he really committed himself. That’s when he was here to stay.”

Although Wally had readily agreed to Mike’s ultimatum that he be willing to grow the number of bank branches, Mike was not given carte blanche to upend any and all that he saw as needing improvement. There was a board of directors who needed to bless major changes, and Mike quickly bumped up against their resistance. “I wanted to change the name of the bank and change the logo,” says Mike. “My attitude was: let’s make some changes; let’s bring this old bank into the 1970s.” Mike approached the board of directors, who rebuffed him on his initial requests but acceded to his general enthusiasm about branding. “I fought for a name change and fought for a logo change, and was not able to accomplish those, but I was given more of a free hand to rebrand our advertising in a more progressive, innovative way compared to what other banks were doing at that time.” Mike was able to convince Wally and the board that investing in branding would help differentiate First Bank of Whiting—something that needed to be done if they insisted on keeping the logo

and name. “Just having radio commercials professionally done with our own personal jingle was something that, for a little bitty bank in Whiting, Indiana, really wasn’t done much. Hiring professional ad agencies and going to higher-level resources could make our brand more identifiable even though we were still First Bank. It was a difficult thing to do, but we did it through jingles, and we did it through the uniqueness of our promotions and advertising.”

Mike worked to develop a team of advisors among his senior officers. To foster a focus on strategic planning, Mike instituted the tradition of annual retreats, which were held at Jill’s family’s lake house near Culver Academy in Culver, Indiana. “Every mid-October, we’d go down there with the senior vice presidents to map out our strategic plan for the upcoming year,” says Mike. “We would review the first nine months of the year and discuss what’s gone right and what’s gone wrong. We would set our objectives for the immediate next year and sometimes next few years. And it was an opportunity to be together as a group outside of the bank for dinners and breakfast, and we’d play a little golf.”

Mike also focused on expanding the franchise. He oversaw the opening of branches in Schererville in 1975 and in Griffith in 1976. Because of Indiana bank branching laws at the time, banks were precluded from opening a branch in a town or city that already had the home office of another bank. Therefore, after opening the Griffith branch, Mike was out of locations in Northwest Indiana where he could build a new branch.



The grand opening of the Griffith branch included personal tours by Doris and Mike, above, and a ribbon-cutting ceremony presided over by Wally, facing page. However, it also boasted a band concert, medley of Broadway hits, costumed cartoon characters, and a grand prize: a free trip to Disney World.



So he concentrated on expanding the bank’s services instead, creating the trust department in 1975 and ramping up the bank’s commercial lending. “When we couldn’t expand anymore through branching in the late ‘70s, we then turned to lending,” says Mike. “We started doing indirect consumer lending all over the Midwest. We didn’t know what the hell we were doing, but it was a way to expand and it was exciting.”

It was also risky. “The bank was not prepared for it, and we didn’t have any expertise in it,” says Mike. “By 1979, it started to fall apart, with lots of loans going bad and repossessions of cars, trucks, motorcycles, just about everything.” This area of business was so new to First Bank of Whiting that it didn’t even have staff to assist with the repossessions. “I was doing repossessions myself at night on a motorcycle,” says Mike. “I felt like I got us into this mess, and I needed to get us out of it. But in doing the repossessions ourselves we ended up getting deeper and deeper into the crevasse, so we started hiring out. It was an ugly learning experience for me and the bank.”





A NEW GENERATION

One expansion plan that fared far better was initiated in 1974, when Mike met Jill Seberger, the daughter of one of the bank's board members. Jill was a college student, seven years Mike's junior, and she was attending a Lion's Club party honoring her father, Ray Seberger, Jr.—the real estate developer who had sold the Schrages the Dyer property—as Man of the Year. That night Jill's dad introduced her to Mike, and a week later, Mike invited Jill out for a date. Although she had been dating another young man for five years, Jill agreed; she soon broke up with her longtime boyfriend. "Mike and I found that we shared a lot of similarities, and we enjoyed each other's company. Mike had a great personality," says Jill. Jill also found Mike's determination appealing. "He was decisive. I didn't have to form my questions in such a way to get him to answer them; he knew what he wanted to say." Jill and Mike were married in 1976, and Jill would go on to provide critical contributions to the bank's culture of caring about people.

After their marriage, Jill saw the toll Mike's drive for growth took on him. Mike's passion to rapidly expand the bank and desperation to prove himself were so great that they affected him physically. "He put a lot of stress on himself. He always felt that he looked younger and therefore people didn't take him seriously. He had to fight for that," recalls Jill. After their wedding, Mike's stress was so severe that he was hos-

pitalized a few times. "When we were on vacation he ended up in the hospital. The doctors concluded it was just due to stress and wanted him to stop the coffee; he hasn't had a sip of coffee since." Swearing off caffeine didn't resolve his anxiety. "Mike continued to be under a lot of stress over the years, just trying to show people that he could in fact do the job."

One person who had no doubt Mike was up to the job was Wally. "I think—well, I know—I pleased him," says Mike. "I don't know that he was on board with all the growth, but he just let me come in and live by trial and error." In 1977, Wally handed over the role of president to Mike, retaining the title of chairman of the board. Wally's health was suffering by then—he'd had more than one heart attack—and he was increasingly alienated from the larger, more complicated organization

the bank had become. "He was deteriorating. He just got weaker, and I think he felt displaced once the bank started to grow," says Mike.

"He wanted to just give it to me and say, 'Take it and run with it.' He wanted me to be on the board before I wanted to be, and he wanted me to be president before I wanted to be."

As a teenager Mike had disdained Wally's approach to being a banker: focusing on relationships instead of strategy. And as president, Mike

continued to dismiss the value of Wally's connection to the community. "He was like the *It's a Wonderful Life* type of banker. He was always in the lobby just meeting and greeting people," says Mike. "At that point I was hard-charging and didn't appreciate loyalty.



In 1974, Mike met Jill Seberger, the daughter of the real estate developer that had sold his father the land for the Dyer branch. Two years later, Mike and Jill married.



Jill's family lake house, right, on Lake Maxinkuckee near Culver Academies, became the site of work retreats for senior partners, above, as well as many Schrage family get-togethers.



Fourth-generation Whiting banker is on the move

By Paula Ellis
Post-Tribune Business Editor

WHITING — Schrage Avenue leads the way out of oil tank storage fields north toward a stagnant downtown and First Bank of Whiting, where its president, Michael Schrage, is on the move.

He is fourth-generation Schrage, a family of bankers and politicians whose 87-year old bank survived the Depression. He is determined to see the community bank that his pioneering great-grandfather built survive the upheavals of the '80s. To do that, he is expanding the boundaries of First Bank's community.

Pending federal regulatory approvals, First Bank is buying First National Bank of Crown Point and South Lake National Bank in Lowell. First Bank is straining its resources somewhat to do it, but Schrage

says he and other First Bank directors in 1979 decided not to open more branches and instead went shopping for acquisitions in 1980.

Although Schrage won't reveal what First Bank will pay for both banks, he admits its a hefty front-end investment.

Both were cash deals and First Bancshares Inc., First Bank of Whiting's parent firm, will borrow \$10 million from Northern Trust Co., Chicago, according to documents filed with the Federal Deposit Insurance Corp.

After the FDIC okays the deal, First Bank will become the fifth largest bank in Lake County with 1981 assets of \$241.4 million and earnings of \$2.605 million.

Digesting the two banks will drain First Bank's earnings initially, Schrage says. He projects that this year First Bank's return on assets will



By 1982, with the acquisition of two local banks, First National Bank of Crown Point and South Lake National Bank, Mike was getting industry—and media—notice for his bold expansion efforts.

diversified complete bank," Schrage says.

As First Bank diversified its banking business, it also moved parts of its headquarters operation out of Whiting. For example, the trust department is located in the Highland

from the southern section of Lake County."

As the report to federal regulators notes, First National has branches in rapidly growing parts of Lake County and South Lake in Lowell is just south of the county's retail hub. Schrage says he's sure the Lowell area too will grow during the coming decade.

This is First Bank's second major expansion. The first was

I even told him, ‘Loyalty is a thing in the past. If a client can get a quarter percent more across the street, they’re going to leave.’”

Mike expanded the Highland branch to create space for the growing trust and commercial loan departments as well as a new executive office for Wally in 1978. “Somewhat for health reasons, being closer to home and working a part-time schedule was a better fit,” says Mike. “So I took over his office and we created a space for him in the Highland facility.” The following year, the bank reached \$100 million in deposits. Another cause for celebration in 1979 was the birth of Jill and Mike’s first child, Laura. Two more daughters would follow: Melissa in 1981 and Stephanie in 1984.

GAINS AND LOSSES

Mike continued to have an insatiable appetite for expanding the bank. “I wanted it to be something more than a sleepy little bank,” says Mike. “I had the dream that someday we could be the biggest bank in Lake County. While I thought it would never be a reality, I figured we might as well shoot for the moon.” Mike’s drive to grow the bank was reinforced at banking social events, where the size of one’s bank was a calling card. “Whether it was a statewide or regional bankers’ convention—or even a local chamber or any other type of community event—the refrain was always, ‘Well, how big is your bank?’ They measured the bank’s status, reputation, and brand by its size, not by its profitability or any other measurement. It was always by the size and so I thought, ‘Well, I guess that’s where the accolades and the accomplishments are.’”

In 1980, Mike devised a plan to continue expanding the franchise despite the state’s branching laws. He formed a holding company, First Bancshares Inc., to purchase other banks. “That’s the only way we saw that we could expand,” says Mike. “So we formed that in 1980 and started searching in ‘81.” Instead of identifying one candidate for acquisition, Mike found two, First National Bank of Crown Point and Southlake National Bank in Lowell. One sale closed in June 1982 and the other in August.

The Crown Point acquisition brought with it six branches, which seemed to Mike like an easy way to instantly expand the bank’s footprint. “I was naïve enough to think that everything was already there, that all you had to do was change the marquee and the stationery and just run the business.” In fact, it was a merger of equals, which meant that folding Crown Point’s employees into First Bank

of Whiting’s culture was a greater process than Mike had anticipated. “Geographically it made great sense. It just wasn’t executed very well.”

That same month, on August 22, 1982, Walter E. Schrage Jr. died. Remembrances from associates filled the company newsletter—all praising Wally’s kindness, compassion, and care for the community as well as the trust he placed in associates and the loyalty he offered to all: “He was the employees’ boss and friend,” wrote Adeline Richards. “Wally will always be remembered for his certain



Although Wally had handed the presidency over to Mike in 1977, above, Wally’s death on August 22, 1982, left Mike completely alone with the fallout of his rapid expansion. Beloved by associates, clients, and investors, Wally was honored by numerous tributes. Facing page: One of Wally’s signature bowties.

smile and ‘Hello,’ both to clients and employees,” remembered Gene Kasper. “No problem was ever too small for him to take the time for you,” offered Velma Stasik. “He always had time in the morning to come around and talk to each employee,” wrote Rita Strabavy. “Wally always offered his advice and guidance,” noted Bob Lahey. “He seemed concerned with the individual as part of the organization,” wrote Marty Shreibak. “He ran his business with a professionalism surpassed by none, yet with a warmth and understanding of his clients’ needs,” wrote Linda Gregory. “His pleasant smile, his willingness to listen and understand, his unyielding loyalty and concern for ‘his bank and his First Family,’ and the confidence and trust he placed in me will never be forgotten,” wrote Herm Stauffer.

By the end of Wally’s life, First Bank of Whiting had expanded to twelve banking offices and more than \$250 million in deposits. Although Mike was the one responsible for so much of the bank’s success and growth, few of these warm sentiments likely would have been said about Mike at the time. To many, he radiated a sense of urgency, not the impression that he would make time for them. He was demanding rather than understanding. And, above all, he was focused on the next venture rather than concentrating on those surrounding him. “I was all about taking care of the front door and had no idea what was going on in the backroom,” says Mike. That trait nearly caused Mike to lose the bank three generations of Schrage men had carefully preserved before him.

In the late 1970s and early ‘80s, while channeling his expansionary energies into commercial lending, Mike exposed the bank to

hit after hit by making loans in arenas where his team had neither experience nor expertise. The bank began making commercial loans for products as varied as an Arabian horse and a novelty Bozo the Clown-themed game. When those enterprises failed, First Bank of Whiting’s only recourse was to repossess the assets. This was rarely

a simple task. “We found ourselves getting back pieces of collateral, inventory equipment, receivables, real estate,” says Mike. “After you go through the court system, those assets often ended up being depleted and only had scrap value. It was just a naïve learning experience on my part how much and how quickly value can disappear, when you’re hung up in the court system.”

Mike’s outside board of directors were no help in navigating unfamiliar waters. “There were no banking professionals,” says Mike. “They were all wonderful community ambassadors—a doctor or a car dealer or a restaurateur—but

they didn’t have expertise in banking practices. And so, all the checks and balances that should have been in place for expansion were not. No one had the specialized background to do so.”

BETRAYAL

Perhaps the most fateful decision Mike made was in hiring a senior lender out of the Chicago market. When the formation of the holding company allowed Mike to turn his attention to acquisitions, he left that lender in charge. “I hired him to watch over the lending areas



because he was experienced,” says Mike. “He was older than me, and I believed he could oversee lending while I was planning the retail expansion of the bank.” Soon, Mike noticed changes in the lender: he would show up at company gatherings with professional athletes in tow; he sported diamond cufflinks; he had his hair styled at a salon and his nails buffed by a manicurist. “I saw it, but I didn’t understand it,” recalls Mike.

Mike was focused on expansion. He took on \$12 million in debt from Northern Trust to acquire First National Bank of Crown Point and Southlake National Bank, and he was on the hunt for more. His business was so dynamic that when it came time for the bank examiners with the FDIC and the Indiana Department of Financial Institutions to conduct their review in 1982—First Bank of Whiting was on a two-year examination cycle—the examiners suggested that they put it off till 1984 to give the new acquisitions time to settle in. Those same examiners had carefully reviewed the bank’s books when they signed off on the Northern Trust loan. “They said, ‘You’re a high-performing bank. We’ve looked at the financials, looked at everything, and we agree with Northern Trust.’” Mike agreed that putting off the examination until 1984 made sense.

So when the state’s examiners and examiners from the FDIC (Federal Deposit Insurance Corporation) called a special meeting of the bank’s board of directors in 1984, Mike was not nervous. The only adverse developments in those past two years were skyrocketing interest rates—the bank was paying 21 percent interest on the loan to Northern Trust—and a downturn in the manufacturing industry, which affected Indiana’s

steel mills and refineries. But the high interest rates also meant that First Bank of Whiting was raking in large sums, and the bank didn’t lend to the mills or refineries. “On the surface it looked like the bank was making money and things were going great,” says Mike. “So the examiners came in, I called the board meeting to order, and they said, ‘Gentlemen, we should close your bank today.’”

The air went out of the room, recalls Mike. “And the air went out of me. I was so naïve and young at the time that I made one of the most stupid comments ever. I said, ‘But you can’t, it’s my bank.’ I’ll never forget that line. And they said, ‘Technically, Mr. Schrage,

you’re correct. But how would you like it if we took away your FDIC insurance?’ I said, ‘You’ve got the trump card there. Tell me why you want to close everything.’”

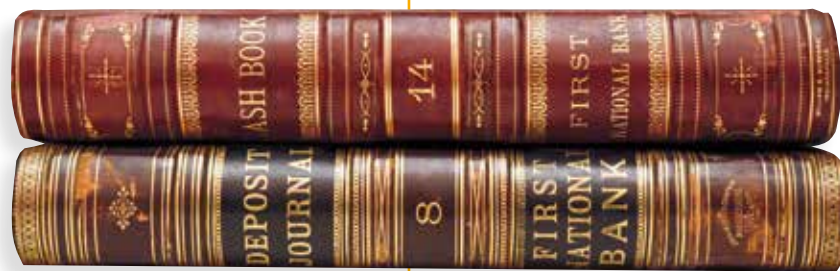
The examiners explained that the bank had more bad loans on the books than it had capital. As they presented their data, many of the loans listed were unfamiliar to Mike and the rest of the board. “Little did I know these loans even existed,” says Mike. “They never came before management, never came

before the board.” The senior lender from Chicago had intentionally taken on bad loans and instructed his team of commercial lenders to bury them in the books. His goal, says Mike, was sabotage. “That gave him the

opportunity to form a coup and line up investors,” explains Mike. “He was going to take the bank down with a lot of bad loans, then, when the regulators came in to close the bank, he had his group ready to acquire it.”

Although he was stunned by the betrayal, Mike was far from paralyzed. “I couldn’t believe it but I said, ‘Well, where to from here?’

Mike inherited complications from his acquisitions he had not anticipated, and he expanded so quickly that he had neither the time nor experience to personally oversee new aspects of the bank’s business. Below: Ledgers from First National Bank of Crown Point. Facing page: Mike in a meeting with management.



They said they wanted me to come up to Chicago—they gave me thirty or sixty days—to make a presentation to the FDIC, of ‘who you’re going to bring in to save this bank—whether you’ve found another bank to buy you.’ And that was a very lonely time.” Mike felt betrayed not just by the senior lender from Chicago, but also by the loyal, tried-and-true associates who had sensed something was amiss but didn’t alert Mike. “They had betrayed me because they were going to let this young whipper-snapper learn his lesson the hard way. So, I felt they did not have my back and I was basically all alone. I mean, I didn’t have one person to go to that I wasn’t pissed off at.”

FINDING STRENGTH

After she received news of the meeting with the FDIC, Doris came to Mike and Jill’s house. “We always invited her over for dinner after Mike’s father passed away,” says Jill. “I remember Doris walking in the front door and Mike walked into the foyer the same time. She wasn’t an overly warm person—I never saw a lot of hugs or kisses or anything from her—but she embraced him, told him that it was going to be okay and he was going to do fine. It was at that point where Mike just lost it, crying.”

Mike remembers Doris’s affirmations as a critical message of hope at a time when so many others were suggesting all was lost. “She was there to comfort and say, ‘Stay positive, you’re going to make it. I’ve got faith in you. Don’t give up because we’ll get through this,’ while most of the bank people said, ‘This ship’s a-sinking,’” says Mike.

Despite his anger and regret, Mike reached out to the accountants at his auditor, Deloitte Haskins & Sells, to help him put together a plan to save the bank. And in framing his plan, he was going to rely on the very thing he had so flippantly dismissed while his father was still alive: loyalty. First Bank of Whiting was going to survive by raising all of its loan interest rates and reducing all of the deposit rates it paid out. When Mike presented his plan, the FDIC representatives balked. “You can’t expect your depositors to stick with you,



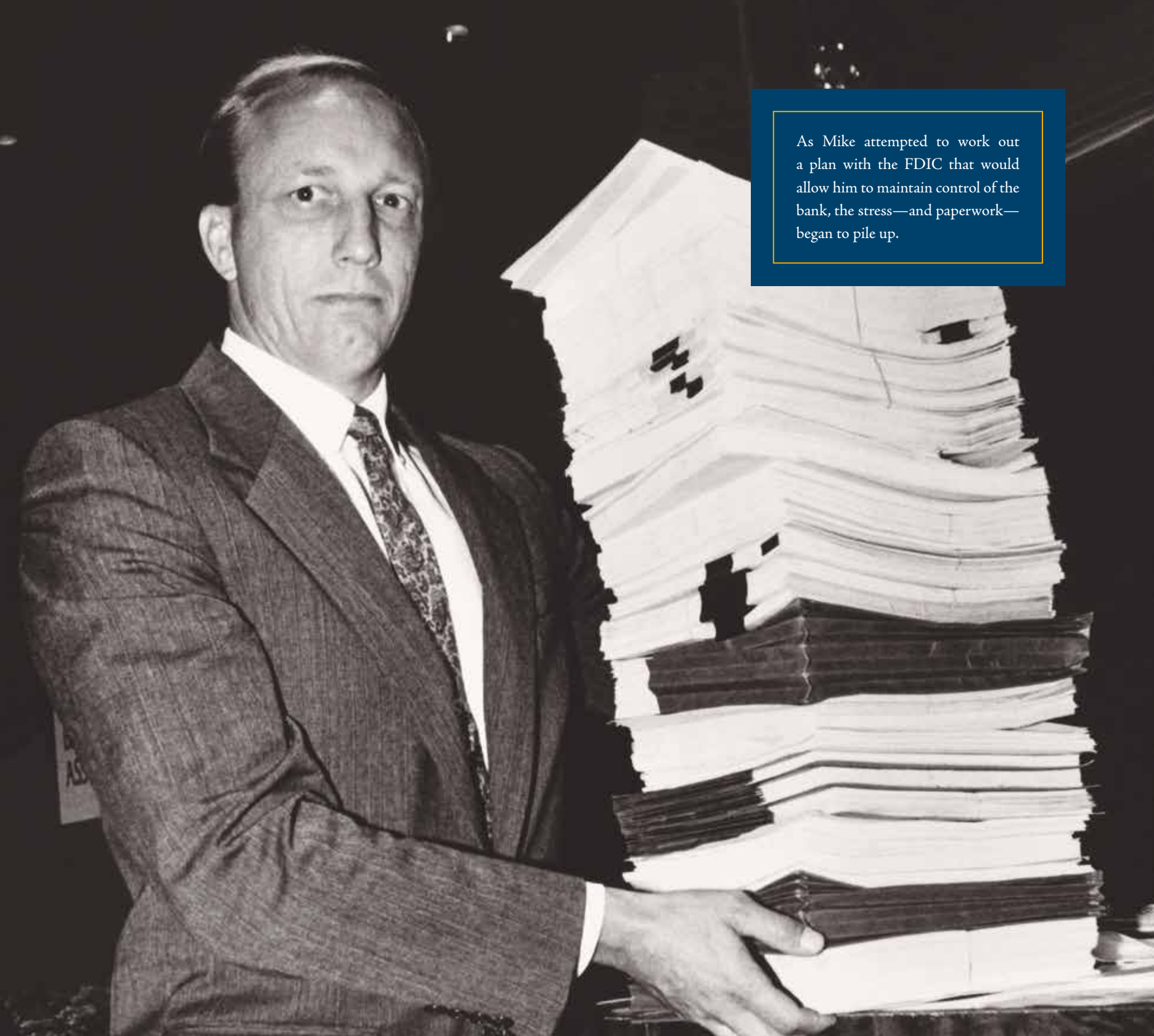
they said. And then I responded, ‘Well, give us a chance. Give us time to present a plan to you.’”

After that first meeting, Mike’s attorneys were not optimistic. “They said, ‘Don’t kid yourself, go find a buyer for the bank now rather than having them come in and close the bank and find a buyer,’” recalls Mike. In truth, Mike was not so confident himself after that meeting. “I left there very disheartened and thinking, ‘What am I going to do for a job? How am I going to support my family?’ because everything we had was wrapped up in the bank,” recalls Mike. “We didn’t have any investment accounts or anything like that to fall back on. I had a lump in my throat and some tears in the corners of my eyes because I didn’t have anybody to turn to. My dad was gone. The other officers in the bank, they were ready to jump ship too.” Walking down the street with the accountants and attorneys, Mike started to think about how he would need to find other work. “I’d had summer jobs but I’d never had a full-time job anywhere except the bank,” says Mike. “The economy was very bad at the time. The interest rates were 21 percent, unemployment in Northwest Indiana was like 15 to 20 percent. And here I was, standing out on the street in Chicago, thinking I had lost the family fortune. I turned to my accountants and said, ‘I don’t know where I am going to go. Would you guys hire me?’



Soon after the acquisition of First National Bank of Crown Point, First Bank of Whiting adopted a modernized version of Crown Point's eagle logo. The eagle would be the centerpiece of the bank's identity until 2005.





As Mike attempted to work out a plan with the FDIC that would allow him to maintain control of the bank, the stress—and paperwork—began to pile up.

And that's when they said, 'Now, you're going to land on your feet, you're going to put everything into it.' The accounting team became kind of my moral supporters."

When Mike returned to make his presentation of his plan to the FDIC, the setting was enough to shake the fragile confidence Mike's accounting team had propped up. "We went into the conference room, and there was the biggest table I'd ever seen in my life," says Mike. "It was decked out with all of this ornamentation, and I mean it was palatial—like something you would see in the movies. And there were only three or four of us." Mike and his team passed out their plan to the auditors and walked them through it. "They looked at it and said, 'Really? Do you think this is a realistic plan?' and I said, 'I know it is. You've got to believe in us. Just give us six months to show you it will work.'"

Mike instituted austerity measures at the bank, but his associates did not leave. When Mike turned to the members of the community who'd banked with the Schrage family for decades, he found that they were prepared to stick with him through the hard times as well. "I sat in the Whiting office like death warmed over as people, one after another, would come in and say, 'We know you're going through a tough time, but your dad did this,' or 'Your grandfather did this.' It was just one testimonial after another."

Mike also received support from the bank's stockholders, including Jill's father. At the time of the crisis, the Schrage family owned a little over 60 percent of the bank's stock. The rest was held by various shareholders who acquired the stock as far back as the 1960s, when Wally sold shares of the bank to raise capital to finance the Highland branch. "This is where the loyalty and the legacy of the bank really paid dividends," says retired senior partner Joe Erpelding. "Because a lot of these shareholders could have said, 'Hey, I bought this stock for \$10 a share back in 1960 and even if the bank will only give me eighty bucks, I want to sell this stuff. I'll take 80 bucks and get out of this mess now because tomorrow it might be worth zero.' If a bunch of those shareholders had wanted to jump ship, we would have had to close our doors because instead of having \$9 million in

capital, we would only have 60 percent of that. And we had \$14 million in bad loans."

Many of the stockholders were also members of the board of directors. From talking with Jill's father, Mike knew the board members weren't just acting out of loyalty, but out of a sense of shared responsibility. "His feeling was, 'Shame on me for letting this happen.' They knew we were all in this together and there was a lot of shared liability sitting around that table. So it was like, 'Hey, we all need to chip in some. Let's all put something in the pot and try to see this thing through.'"

Even Jill pledged her own inheritance, which she had received from her grandfather, to help the bank. For Jill, helping with the capital infusion was a simple decision. "I believed in what Mike was doing. There was very little question or doubt in my mind that giving him that money was exactly what I wanted to do."

Every six months Mike returned to the FDIC to provide an update on his plan and ask for another six months to continue with it. While that process was humbling, it paled in comparison to the sobering lesson he was learning about how wrong-headed he had been. "I did not appreciate or give credit to my predecessors, especially my dad. It wasn't until then that I recognized that loyalty is still alive, but you have to earn it. You could earn loyalty over time through your actions." The lessons Mike learned about the value of loyalty and the central importance of people to the bank's success would eventually form the basis for the bank's strong and celebrated culture of values. But it would take another life-changing experience for Mike to be able to tap into the compassion and empathy needed to develop that culture.

Having survived nearly losing the bank, Mike began to seek ways to transform the business. One change came in the form of the bank's new name, Centier, which played off the bank's upcoming centennial.

4

TRANSFORMATION

First Bank of Whiting's near collapse in the mid-1980s taught Mike Schrage lasting lessons about the importance of loyalty, community, and expertise. While shaken by the experience, Mike retained his fervent desire to grow the bank, and he had not yet learned to lead in a way that did not put his own blind ambition ahead of relationships. Although Mike began to recognize that people had been the key to the bank's success since its founding—and would continue to be the way Mike could unlock the potential he still saw in the then-ninety-year-old institution—he still struggled to see the people who worked with him as much more than instruments in service to the bank's growth.

"Financially, lessons had been learned," says Mike. "And people around me were starting to say, 'I'm glad he's finally learned his financial lessons.' They saw the commitment that the family made and the changes that I was implementing, and they were kind of like, 'Hey, this has some possibilities. Mike actually might survive this.'" And while Mike demonstrated some growth in his appreciation of the people around him, he remained far from empathetic. "There was some transformation from the loyalty aspect: appreciating people's loyalty, both family and associates. There was a little bit of caring in there, but I wouldn't say the kindness I eventually developed resulted from the crisis of the mid-1980s; that would develop later."

Mike suffered severe issues with stress during the mid-1980s. He developed some healthy habits for coping as a result. “During that period I had to reach out to meditation and relaxation techniques because I couldn’t sleep and I couldn’t eat,” recalls Mike. “It was a very traumatic period for me in 1983, ’84, and ’85 but I dealt with it through exercise and diet and other things.” Slowing down, however, was not a solution that Mike explored. “I charged harder. So, the ’80s were not a pleasant time to work around here.”

Mike righted the ship thanks to improvements in the economic climate, his own resolve to grind it out, and a willingness to push others to work as hard as he was. “In 1986 and ’87 I got my head above water,” recalls Mike. “Opportunities were presenting themselves like in the early ’80s, and I just worked harder and harder. There was almost a feeling that I’d taken the world’s hardest punch and I’m still here and ready to expand. And now we’re going to go outside of Lake County; we’re going to go to Porter County. I was back on the horse and in the charge. So it was still the old Mike, just working harder, longer, and faster.”

AUSTERITY MEASURES

Other than a still-insatiable desire for expansion, Mike wanted First Bank of Whiting to survive by staying true to the values instilled by his father, grandfather, and great grandfather during previous crises like the Great Depression: that the bank was a community institution and should thrive not by undercutting community members during their darkest times but by working with them. Mike had benefitted from the community’s

reciprocated loyalty after that fateful meeting with the FDIC, and he was determined to adhere to that spirit of generosity.

“Today, many people say the Great Recession of 2008 was the worst thing that had happened since the Great Depression,” says Joe Erpelding, First Bank of Whiting’s comptroller during the 1980s. “Well, I can tell you that in Northwest Indiana, the mid-1980s were a much tougher time than 2008. There were parking lots full

of repossessed cars, and houses were being foreclosed on all over the place. First Bank of Whiting could have just focused on our own survival instead of trying to work with our clients and associates. But Mike had learned a lot from the legacy of the bank that this wouldn’t be the Schrage way or the First Bank of Whiting way. Our way was that we’re all a family, we all work together, and we try to make it through this situation. So we took a little bit of a different tack, and it might have cost us a lot more money in lost revenues, but

we did what we had to do to make it through as a family, and I think it worked out pretty well in the long run.”

The FDIC had accepted the plan Mike proposed to correct the imbalance between the bank’s capital and the failed loans it had extended by reducing deposit rates and raising interest rates. At the same time, client after client had come to Mike and told him that they would remain with the bank despite its less-attractive terms. But Mike had also instituted internal measures that had a big impact on associates and, before long, they started to leave.

Mike decided he needed to appeal to his associates directly. Mike scheduled a company-wide meeting for President’s Day, which was a



In an attempt to encourage associates to stick with Centier following the austerity measures that followed the FDIC plan, Mike authorized the creation of an employee profit-sharing plan. Above: A stock ownership certificate.

bank holiday conveniently falling toward the beginning of the calendar year, where he laid bare the state of the bank and the plan he had to rebuild it. This transparency triggered the loyalty he was seeking and launched the tradition of an annual meeting that would continue to give associates financial, operational, and strategic insights far deeper than those shared by most privately held institutions. “Originally we just called them in for that all-associate meeting to discuss the performance of the bank and where we thought we were going,” says Erpelding. “But they ended up becoming much more than that. Mike’s belief is strong that no matter how things are going, you find something to celebrate. The annual meetings became a way to celebrate the fact that no matter whether things were going great or bad, we were still together.”

The first annual meeting in 1985 carried an element of celebration despite the bank’s grave situation. “Although it was a terrible financial year for us, we still celebrated our ninetieth anniversary and handed out lapel pins commemorating it,” says Erpelding. “So we still had a big celebration even though it was probably one of the worst years in First Bank of Whiting history.”

Associates continued to trickle away. “The bank wasn’t making any money, and we were losing people,” recalls Erpelding. “We wanted to encourage people to stick around so we started a 401k and an ESOP—an employee stock ownership plan—to make people feel like they were buying into the bank and their hard work was going to pay off. We offered shares of stock at \$80 a share that are now worth over \$6,000 a share, but a lot of people still left. We tried adding some other benefits and things to convince people to stick around because the bank was really in bad shape. But many of them felt like, ‘No, this place is really hurting and I’m getting out of here.’ It was a tough time, and we needed to stop the bleeding.” The ESOP was instituted in 1987, and the annual associate meetings began to contain a report on the state of the associates’ profit-sharing plan as well as the state of the bank. Mike and his team took pains to present the annual meeting information in as entertaining a manner as possible. “We had goals, but we tried to share them in a fun way to make the

associates feel more comfortable,” says Erpelding, who performed in costume at every event except one for thirty-five years. “I did everything from playing the Pillsbury Doughboy to being a farmer and a cowboy. I was Carnac from *Johnny Carson*, and I was the motorcycle guy from the Village People. I’ve dressed up in every kind of a costume you can imagine in order to entertain the associates.”

CELEBRATING EXCELLENCE

The annual meetings were soon branded as the bank’s Celebration of Excellence (COE), with awards presented in addition to information on associate stock values. “We would have a branch of the year, teller of the year, business lender of the year,” says Chrisanne Christ, who started in 1995 as human resources manager and rose to become senior partner in 2015. “Different recognitions were given out, a lot of them based on performance goals, which we called models. Then we started looking for more ways to recognize associates that aren’t in sales-type positions: maybe they’re operational support; maybe a new process was put in place and a team of people worked together to implement it. We started doing internal service awards for departments that take care of each other. Departments are anonymously rated, and those teams receiving a certain score are recognized at this award ceremony. We still had some business being discussed, but the business became smaller and smaller and the recognition became bigger and bigger.”

The creativity that went into the event expanded from skits with costumed associates to elaborately produced events—with the theme only being unveiled once associates arrived. “Marketing for the most part keeps it confidential, and only a very small group of people knows what the theme is going to be so part of the fun is to show up and be surprised,” says Christ. “In recent years only two Celebrations of Excellence had the theme revealed ahead of time.” One was the “Haunted Celebration of Excellence,” which was announced in October so that associates could purchase their Halloween costumes with the upcoming event in mind.



Mike established in 1985 the annual meetings that would come to be called Celebration of Excellence, a company-wide meeting that allowed him to communicate directly with associates, reinforce the bank's values, and impart information in a fun and engaging manner. Each year new themes and skits are unveiled.



The other was a 1950s-themed event, which was expanded into a weeklong celebration within the branches. “We gave everyone a budget to buy some ‘50s-style clothing and decorations, and for the week of the celebration our branches and departments had different days when you could wear jeans or different types of outfits over the course of that week,” continues Christ. “The clients would come into the branches and we’d have vinyl records and Pink Ladies and leather jackets. Then our actual Celebration of Excellence event had a sock hop theme and was held in an old gym with a band that played popular music from the era. The food was hamburgers and French fries, and a lot of the prizes reflected the decade.”

Despite the awards and theming, the associate stock value became a highlight of the annual event, marrying the initiative Mike originally devised to encourage associate loyalty and the testament to open communication that came to secure it. One reason the stock value announcement is so anticipated is that so many associates, especially ones who have been with the bank for many years, have gained a substantial amount of wealth thanks to the stock program. “I’ve seen multiple people become millionaires who would have never had that opportunity under normal circumstances,” says Leslie Berg, a senior partner who started with the bank in 1988 as an assistant manager. “Because of their longevity and growth of the stock, there have been a number of people that have been allowed to retire at a very nice comfortable level that I’m not sure they would have been able to otherwise.”

The other reason that the stock program has increased associate loyalty is that it gives associates the sense that they have a greater stake in the success or failure of the bank. “I think that the fact that you are an owner and you have skin in the game definitely has a positive effect. You see the benefit of the idea that when we all work together, we all benefit together,” says Berg.

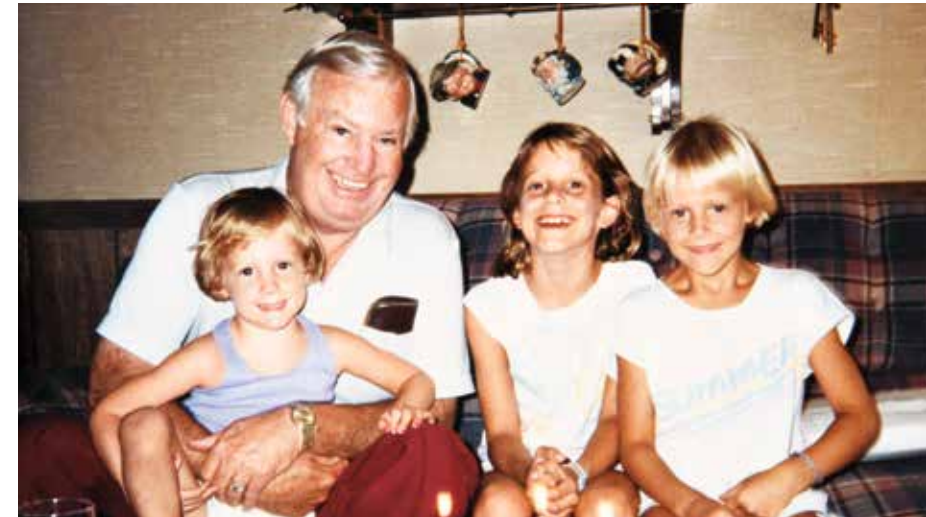
At the same time that Mike was expanding the number of stock-holders in the bank through the ESOP, he was also seeking to ensure that the more traditional investors in the bank through the years also maintained their loyalty. “We were concerned about our

shareholders not having been paid a dividend in two years, and we were concerned that some of these shareholders—as loyal as they were—might start selling off their stock,” says Erpelding. So in 1987, Mike and Erpelding reached out to their representative with the Federal Reserve Bank of Chicago to discuss whether they would approve a special dividend for shareholders despite First Bank of Whiting’s still-dismal balance sheet. “He said, ‘Your bank definitely is recovering well and if a dividend is what it takes to keep your capital intact, come on in.’”

Mike and Erpelding traveled to the Fed’s imposing building on La Salle Street and were led to the meeting space. “Our rep takes us up to this big boardroom with a table about thirty feet long.” Mike and Erpelding sat on one side of the table and waited in the otherwise empty room. “All of a sudden, the door opens and eight guys walk in. You could tell right away that four of them were attorneys.” Soon after greetings were exchanged one of the attorneys cut to the chase. “He threw this piece of paper across the table to me and said, ‘Here’s our dividend policy. Because of your capital ratios, you know the policy is that you can’t even request to do a dividend. We can’t entertain this request at all,’” recalls Erpelding. “Mike looked at him and said, ‘So you wasted our time,’ and the attorney responded, ‘You wasted your time,’ and he got up and walked out of the room.” The Fed representative was embarrassed but Mike was livid—and then resolute. “On the drive home, all Mike talked about was how we were going to show those—and I won’t use the actual language—guys that they’re wrong, that we’re a very healthy bank, and that they did the wrong thing. I mean he was so inspired. I had never seen anybody so riled up. You talk about backing somebody into a corner and then watching them fight their way out. Well, that was Mike after that meeting.”

BALANCING ACT

In order to take on that fight, Mike worked all day, and then he took his work home with him. “I would go out to my daughter’s T-ball



Jill’s parents, Ray and Audrey Seberger, above right, raised Jill with the values and beliefs that would help her support Mike as he sought to make adjustments in his personal and business life. Above left: Ray with, left to right, Stephanie, Laura, and Melissa.

games, take a pile of work with me, sit in the bleachers, and when she would head into the dugout, I would bring the work out and then put it away when she was up to bat. When my wife would go to the store, I would sit in the car and do work. When we were at the mall—and with three daughters and a wife who loves to shop, that was often—I would say, ‘I’ll see you in three hours. I’ll be on this bench and you’ll find me here.’ I was always just obsessed with working and trying to learn everything.”

Mike imparted that work ethic and tenacity to his daughters, particularly through his encouragement of their athletic pursuits. “We were raised very competitive,” says youngest daughter Stephanie Schrage. “The sense was why enter into something unless you’re going to work hard at it. We didn’t just join sports for fun, we did it to be the best we could be at it. My dad always encouraged me to go up against the best player, which can be intimidating because, nine times out of ten, you are going to lose. So, you almost had to be okay with failing in order to grow and become a better player.”

“He instilled in us the belief that we could make ourselves better by making mistakes,” agrees Melissa Schrage Contrucci, Mike

and Jill’s middle daughter. “We would have to make our own mistakes and stumble in order to grow and learn. He always said, ‘Success stems from trial and error and failures.’”

Despite emphasizing the value of a competitive and risk-taking spirit and bringing work home with him, Mike managed to make his daughters feel like they were his central priority. “Mike was home every night for dinner,” says Jill. “We always had family dinner, and the majority of time he was home to help put the girls to bed. We felt it was extremely important to be together as a family.”

Mike and Jill also believed it was important for their daughters to never feel pressured to consider a career in the bank. “My dad never really involved us that much, and I felt like work was always separate from our home life,” says Laura Schrage Campbell, their eldest daughter. “It was more my grandma who encouraged us to think about it. As soon as I turned thirteen she said, ‘Okay, you are going to be a teen teller, you are going to work behind the teller line, and they are going to teach you how to be a teller.’”



Centier's participation in local parades, left and above, is a long-held tradition, with members of the Schrage family taking part. Facing page: Doris with, left to right, Stephanie, Melissa, and Laura, dressed in period costumes for a parade around 1990.



Laura took part in the teen teller program, which used the teenage associates to help children with their passbook savings accounts. “The children would step up on a stool and you’d have little cookies and chocolates for them, and you’d give them a little stamp each time they made a deposit. A lot of my friends in high school became teen tellers, too, and they all thought it was so much fun and a great job we could do together.”

Doris was perhaps the greatest champion of connecting the three Schrage daughters—Laura, Melissa, and Stephanie—with the bank. Although all three girls best remember clipping coupons with Doris, Laura recalls witnessing her grandmother providing feedback to bank associates. “She’d walk into the bank like she owned it—and she did—and she would just let them know what was on her mind: what was right about the branch and what was wrong,” recalls Laura. “I was probably around twelve, and watching my grandma chew people out I thought, ‘Oh my gosh. What’s going on?’ She always said to me, ‘One day you are going to work here.’”

The Centier eagle mascot, known fondly as Stuffie, appeared at events like the Teen Teller Christmas party that Laura, left in the above image, and her friend enjoyed, above. Facing page: Jill, second from right, took on a greater role in the marketing department after her daughters reached school age.



Melissa remembers being regaled with stories of how Doris would take associates to task. “She loved to tell stories,” says Melissa. “And we loved going over to her home, sitting on the couch or La-Z-Boy and hearing her tell them. She would say, ‘They messed up my checkbook so I went in there and said, ‘Dammit!’ and they all got scared.’ She loved the word ‘dammit.’”

Mike thinks Doris threw her weight around to maintain a sense of relevancy and control over an institution she had devoted her life to. “After Jill and I were married, and I started to take over much of the management, even prior to my father’s death, it was hard for her to adjust to what she perceived as being replaced by the new president’s wife,” explains Mike. “After my dad became sick and then passed away, she wouldn’t go to events even. She just decided that it was my bank now. And so, when she would appear at a branch, she huffed and puffed and blew a lot of smoke just because it was her one very infrequent opportunity to do that.”

The daughters’ other exposures to the bank tended to be attending events like Christmas parties or officer retreats at Jill’s parents’ lake home in Culver. “The senior people would spend the night and they’d have a golf outing and roast a pig every year,” recalls Laura. “I just always felt very much a part of it because we’d be running around, playing in the water just being with all the bank people.

The amazing thing to me is how many people have given their whole lives to the organization and how many great memories I have with them.”

Mike also found time away from his bank responsibilities to form a close bond with his niece and two nephews. “Mike taught us all how to water ski,” recalls Scott Hinshaw, Pat’s eldest child. “He took me fishing, and when Jill and Mike lived in Munster, our two families would get together all the time.”

HARD DRIVING

With the help of Jill and a firm commitment to shield his daughters from the demands of the bank, Mike managed to balance his work and home responsibilities. But Mike expected his associates to share his tireless zeal for business, and he often did not take into account their lives outside the bank. “I knew it was a very rough road to get the bank back where it needed to be,” says Mike. “So I almost doubled down as taskmaster and worked even harder, and worked the associates harder.”

It was a trait that was trying for those around him. “I was told by a lot of associates that they did find him as more of a dictator back then,” says Jill. “They didn’t want to cross him because his expectations, even to this day, are so high of people. But he doesn’t expect anything more than what he would expect from himself.”

Mike’s senior officers often bore the greatest brunt of his demands. “I was gratified that he thought enough of my skills and talents to be given these many responsibilities, and I enjoyed it. I really, really did. To be honest, though, there were times when it was very stressful,” says Carol Highsmith, who joined First Bank of Whiting in 1982 when First National Bank of Crown Point was acquired and retired in 2015 as senior partner. “He was just a very demanding person. He expected you to work lots of hours—lots of hours. There were often meetings that went from late afternoon through the dinner hour, and we just didn’t stop. There seemed to be a lack of consideration that people had families.”



Mike also tended to have little patience for the niceties of his interactions with associates. “He was a bottom-line man,” says Jerry Miller, vice president and branch manager of the Dyer office, who retired in 2009. “It was never in a rude way, but he was all business: ‘I am here to make a profit, I’m here to be a success, and if I step on a few toes, that’s business.’”

He often undermined senior associates with his exacting, almost controlling, attention to detail. “From day one he was a micro-manager,” says Erpelding. “As the bank’s comptroller, I was routinely preparing financial reports and budgets, and he liked to have his hands right in the middle of the stuff. He would say, ‘Why are we doing this? Why are we doing that?’ and he treated every department head that way to a certain extent.”

Frequently, his second-guessing was wounding. “Mike was not necessarily short-tempered, but he cut to the chase and was often impatient,” says Highsmith. “He didn’t think about the impact of how he acted on individuals, and he didn’t think about treating people fairly. If you were in a meeting, and you didn’t answer correctly in his mind or didn’t meet his expectations, he made it pretty clear that you had ‘failed,’ if you will. He didn’t really think about how his words impacted you personally.”

VISIONARY LEADERSHIP

At the same time, the very senior officers who were most exposed to Mike’s wrath were also in the best position to admire his brilliance.

“He was always a very strong businessman—and very visionary,” says Highsmith. “He saw things many times that we did not see, and he brought in ideas that were very forward-looking. He didn’t often seem to be doing things impetuously; his ideas were always well thought out. I’ve always admired the fact that he brought so many good ideas to the table.”

As First Bank of Whiting emerged from its crisis, Mike’s leadership was so solidified that he was often able to accomplish goals that had eluded him when he was a young president facing off against the board of directors. In the late 1980s, Mike brought a new director onto the board, Bill Nassau, whose background was in national and international billboard advertising and marketing. “It was one of his first meetings, and we were waiting for the rest of the board members to arrive,” recalls Mike. “He sat down next to me, leaned over, and said, ‘Mike, have you ever thought about changing the name of this bank?’ And I said, ‘Oh, my God. Yes, I have. It’s something I’ve wanted to do since 1972.’”

Back then, Mike was just out of graduate school and had pitched the board of directors on changing the bank’s name to “United Banks” but the idea had been summarily rejected. “I was outvoted on that one,” says Mike. “I’d put it away until this director brought it up in the late ’80s and so I said, ‘Bless you. Let’s do it.’ And looking around the board table, all those old directors weren’t there anymore. So it was brought up and everybody said, ‘Yes, we agree. We need our own unique name.’ We hired a firm from Denver, Colorado, called Monigle. They came and did all the research to come up with the name.”

The bank’s logo had gone through various iterations through the decades, from a mark that resembled a display sign to the initials FB in a quadrilateral field with two curved corners and two sharp ones. When First Bank of Whiting acquired First National Bank of Crown Point, “Since it was a merger of almost equals, we did take their eagle but we contemporized it into a very modern-looking logo,” says Mike. The eagle’s head was placed on a background that retained the shape of the FB field, which was also the shape of the bank’s commemorative lapel pins for that period.

The name, too, had undergone an evolution, though more subtle than the logo. The original name, Bank of Whiting, was given an anterior “First” in 1960 to distinguish it from State Bank of Whiting. Then, in 1976, as the bank’s reach stretched beyond the city of Whiting, the bank began using just “First Bank” as its name.

In 1993 the branding agency Monigle began working with First Bank’s own internal marketing team, which was rather large for the size of the organization. “Mike had quite a vision back then to have a seven-woman marketing department when we were only just around \$200 million in assets, nine branches, and about 118 associates,” says Donna Cafferata, who joined the bank in 1991 and assisted with the rebranding project. “I mean, he knew that marketing, advertising, and public relations were what he needed to grow the bank.”

“Monigle spent a good deal of time with us going over our strategic plan, our values, and everything else we put out there in marketing, and they interviewed clients in the lobby and by phone,” recalls Mike. “And they came back to us and said, ‘It’s a shame we can’t go with something having to do with your centennial since you’re going to come up on your hundred-year anniversary in ’95.’ The barrier was that the name “Century” was already in use and therefore unable to be trademarked. But Mike liked the idea and encouraged the branding team to come up with a derivation of the word. “So, they did some work on it and came back with the fabricated word ‘Centier,’ taking the first part of the word ‘Century’ and last part of the word ‘Premier,’ which was part of our vision statement.”

COMMUNITY CENTERED

A third component, that the bank not only was founded on Center Street but also puts its clients at the center of its attention, was added to the explanation that front-line associates used to introduce the new name during its roll-out. The only challenge that remained was educating clients on the pronunciation to avoid assumptions that it should be pronounced with a soft guttural *r*, like the French jeweler Cartier. “But we got through that, and it’s had good acceptance



In 1991, First Bank of Whiting became Centier Bank. The new name reflected the bank’s growth beyond its founding city, and it was a nod to the century of service the bank was approaching. Last, it evoked the bank’s “premier” quality of service. Above: Mike, center, as a Centier banner is raised in Chesterton.

over the past twenty-five years and developed its own identity here in Northwestern Indiana,” says Mike.

While the newly christened Centier was refining its branding to represent its expanding role across Northwest Indiana, the bank was also working to acknowledge the unique identities of the various communities it served. “Mike said, ‘Our niche is going to be as a community bank,’” says Miller. “He knew we couldn’t compete with a major banking area like Chicago in terms of their reach and services they could offer, so he said, ‘Let’s go for community. Be involved with the community, let them see our presence there, and treat them like friends.’”

The first branch expansion that occurred after the bank’s mid-1980s crisis was a loan production office in Porter County in 1987. A full-service branch in downtown Valparaiso followed in 1988 and another in Valparaiso North in 1989. Centier began experimenting with in-store branches in 1991 with the opening of a retail location in a Dominick’s grocery store, and in 1992 Centier acquired two branches in Chesterton.

Whether a branch was acquired or built, pains were taken to allow the atmosphere to reflect the community. “We take into consideration their locations,” says Bob Buhle, who joined Centier in 1987, served as vice president of compliance, and retired in 2017 as a senior partner. “In Whiting, if you look at that community today, it is still a blue-collar oil town with old, traditional churches—and old, traditional banks. The clients are comfortable with that. It’s a historical perspective of what banking was and while we’ve modernized it a little bit, we haven’t taken it all away. If you look at a branch in a more progressive community, it would look considerably different: perhaps with a kiosk-type environment where you’re able to come in and complete a transaction that you may have started online.” For a period of time, Centier’s ATMs were even wrapped with the color schemes of the local high schools.

In addition to eschewing a cookie-cutter design, Centier also honored its locations by encouraging branch managers to take an active role in community organizations and draw their staff from the communities themselves. Having people local to the community it serves became almost a prerequisite to moving into a new market. “One thing that’s been fairly certain is that we won’t build some place until we have the right associates to fill out the branch,” says Buhle. “This is what makes our business successful, and we’re fooling



The wave of expansion that occurred after Mike completed his plan with the FDIC was marked by thoughtful consideration of the local communities where branches were placed. Among those during this era was the full-service branch in downtown Valparaiso.

ourselves if we think that we can look at the economic conditions of a community and say that's for us if we don't have the right people because people are the basis of the success of Centier."

STRUCK DOWN

In February 1993, Mike was at a banking conference in Washington D.C. when he came down with flu symptoms. "I was running a temperature of 104 degrees," says Mike. "So I got back home as quickly as I could and stayed home for a few days. My temperature went down so I went back to work for one or two days, but on that Friday, I couldn't get out of bed." Mike experienced vertigo so severe that he could not stand up on his own. After reproaching Mike for returning to work too quickly, Jill convinced him to take a long weekend to complete his recovery.

When Mike was no better Monday morning, Jill helped him to the car and they visited his doctor. "They couldn't find anything wrong with me," says Mike. "Everything checked out, and essentially they said I was fine. 'Well, I thought, 'I'm not fine. I can't walk by myself.'" Mike went on to a doctor in Chicago who ran a series of tests and scans to determine whether multiple sclerosis or a brain tumor could be the cause of Mike's symptoms. Again, nothing was found, and Mike returned home, still debilitated.

Jill suggested that Mike visit an infectious disease specialist. "I said, 'I don't care. I'll try anybody,'" recalls Mike. "And so, I went and the doctor took some detailed blood samples. He said he needed to send out the samples and it would take about three days to get the results. I went home and vegetated." When the doctor called with the results, he said something that Mike thought only happened in the movies. "He said, 'Well, I've got some good news and some bad news for you. What do you want first?'"

Mike asked for the good news. "He said, 'Well, the good news is we found out what it is, and it's going to take you probably eighteen months to get over it.' I responded, 'Okay, so that means I'm not going to die, then, since you said I'll get over it. What is the bad news?'"

The bad news was that Mike had tested positive for the Epstein-Barr virus, and the virus had triggered chronic fatigue syndrome. While the doctor believed Mike had just an eighteen-month recovery ahead of him, there was the possibility that he could be subject to the symptoms for the rest of his life. The doctor cautioned that, in order to hasten his recovery and reduce relapses, Mike would need to be disciplined about limiting his activity, even after the symptoms that were keeping him bedridden had subsided.

"Well it was like bringing a freight train to a screeching halt," recalls Mike. "I just couldn't handle it; I couldn't deal with it. I went through depression and chronic panic attacks. Things could set me off and I'd just start crying and wailing. I had suicidal thoughts. I had to be medicated, and I had to be counseled. It felt like the worst hangover you've ever had—you have no appetite, you have the groggies to the extreme, you're totally emotional and just listless, and all you want to do is lie on the floor and cry—but unlike a hangover, which sometimes lasts a few hours and sometimes the whole day, this was all day, every day."

Mike had to stay home from the bank for five months, during which he sought the assistance of nutritionists, chiropractors, and massage therapists. He eventually found short-term relief from a hypnotherapist, whom he saw several times a week and who trained him in self-hypnotherapy. The hypnotherapy provided enough relief for Mike to be able to eat and begin to believe that he would someday return to health. "It was as though I was on one end of a very dark tunnel like the ones I'd experience in Colorado going through the Rocky Mountains. I couldn't really see the end of it but there was a speck of light. I didn't know whether that speck was the other end of the tunnel or a freight train coming toward me. I thought it was the other end of the tunnel, but I had to find out. So I just kept walking."

HELPING HANDS

Little was shared across ranks and branches about Mike's illness, and even few of his top lieutenants were not aware of his exact diagnosis.

"I would bug Mike's executive assistant, Brenda Stelow, about once a week to see what she could tell me," says Erpelding, "but she played it close to the vest. I never really knew how bad he was, to be honest. I just knew that for a man as driven as Mike, for him to not show up, it had to be bad. Literally, in my mind, this man was on his deathbed. I was really worried about him, and I didn't know if I was ever going to see him again."

Despite his history of micromanaging senior officers, the bank continued to operate as normal during Mike's five-month absence. While he was away from the office, and for another year after he returned, Mike was aided by Stelow. "She would have to sit with him and read all of his papers aloud, because he couldn't focus and he couldn't read," says Jill. "She was a blessing."

Herm Stauffer, Mike's mentor when he was starting out at the bank, also helped out during Mike's absence—but not only by picking up some slack at the office. "He came over to the house and said, 'I heard you're doing better,'" recalls Mike. "I said, 'Yes, a bit.' And he said, 'I brought you something,' and he pulls out a little book and said, 'Here, I want you to read this.'" Mike was surprised to see it was the New Testament and asked why Stauffer was giving it to him. "He said, 'I think you need to strengthen that leg of your stool.'"

Mike did not consider himself very religious. His parents had occasionally sent him and his sister to local churches but never attended themselves. If he had actively worshipped anything, it was one of two small Buddhas that his mother brought back from a trip to Southeast Asia, telling Mike they would bring him luck. He would keep it in his pocket, rubbing it during warm-ups before a



As Mike struggled with the effects of his reactivated Epstein-Barr virus, he found comfort in a talisman from his youth, the Buddha his mother had given him, above, and the devoted assistance of his executive assistant, Brenda Stelow, left on facing page.

wrestling match or before he took the SATs. When his first daughter, Laura, was born with a large hematoma that threatened to require a blood transfusion, Mike discussed his worries with the minister at the Presbyterian church near their home in Munster. The family began attending that church, and Mike found the sermons meditative. But he had never desired to read the Bible; in fact, he wasn't much of a reader at all.

But Stauffer's suggestion that Mike had an area of weakness piqued his former mentee's competitive nature, and Mike quickly said he would read it cover to cover—and he did. "I started getting a little excited about it," says Mike. "Next I read *The Road Less Traveled* and some of the other inspirational material out there, like from Og Mandino, and I really started building that leg up. Then I turned to the Old Testament, and read most of it. I skipped the fifty pages of names I couldn't pronounce."

Mike's awakening to Christian principles of business leadership was transformative. "The whole Christian leg of the stool was an important watershed for me," says Mike. "My leadership style was very autocratic before then. After reading Greenleaf's *Servant Leadership* book I realized there was something to this. And so, I just had a transformation into more of a Christian leader with Christian principles."

Mike became a voracious reader of any book that could help him advance his understanding of how he could best lead the bank. In addition to spiritual and inspirational books, Mike added business and cultural titles to his reading list. Soon he was consuming fifty to seventy-five books a year, keeping all of them displayed in his office in the order he read them.





Around the same time Mike was grappling with the desire to change his leadership style, Chrisanne Christ joined Centier as human resources director. While her name might have struck Mike as providential, it was Christ's ability to challenge Mike that helped him follow through on his intentions with new behaviors and actions. "Chrisanne was influential in softening me and evaluating me and bringing me and the bank into a very different era of leadership in its history," says Mike.

CHANGE OF HEART

That Mike had changed was apparent to everyone who had worked with him over the years. "We all saw how Mike was before," agrees Miller. "When he came back, things were a little different. He was softer. Seeing this I thought, 'Wow, he is nicer to the associates, he's coming and talking to the tellers. What is going on?' But I liked it."

"I got to be here for a lot of the old Mike and then I got to be here for his illness and his coming back as a much different individual," says Highsmith. "Seeing him realize that it was important to build a strong culture that made people want to stay and work for the bank was pretty amazing. And it all came through his illness."

The illness also provided the opportunity for Centier's associates to demonstrate their own evolution to Mike. "I felt like a lot of us had the

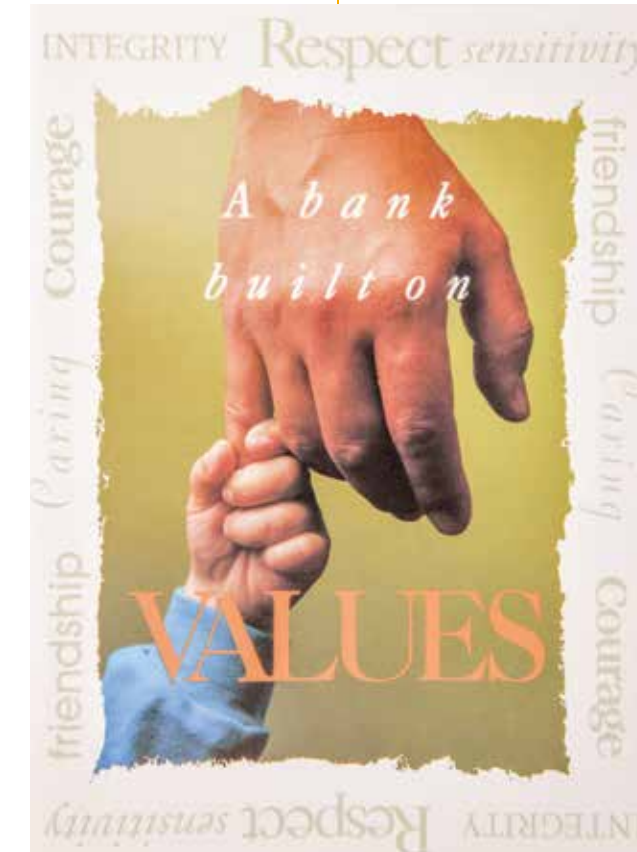
opportunity to prove to Mike that we could do our jobs without him sitting in the passenger seat but having his hand over on the steering wheel," says Erpelding. "I think it helped him release a little bit of control, empower people, and trust in their abilities."

"I think realizing he doesn't have to do it all has been beneficial for him, but it's also been important for the other leaders in the organization to be trusted with taking things on and not having him make all the decisions," says Leslie Berg, who started as an assistant manager in 1988 and serves as a senior partner in charge of operations. "He improved his ability to stop and listen instead of wanting things done a certain way. Mike's illness started the process of identifying other people who could be trusted to lead and direct and make decisions."

Mike suspected many associates might have trouble trusting that his changed ways were here to stay. "I'm sure many of them thought this was going to

come and go. They probably thought, 'When is old Mike going to appear?' so I had to earn their trust over a period of time. Some of them took longer to believe in the changes and some embraced it quickly."

As Centier approached its centennial, it was with a very different leader than the one who had been at the helm for the past quarter century.



Following his illness, Mike gained a deepened sense of values and a renewed understanding of his role in the community. Above: A Centier ad featuring the bank's core values. Facing page: Mike with community leaders Joe Stahura, left, and Robert Bercik, second from left, at an event at the Whiting branch.



Although still children as Centier reached its centennial in 1995, the Schrage family's fifth generation was becoming versed in the bank's values. Stephanie, left, and Melissa at a family office meeting in 2019.

5

SERVANT LEADERSHIP

On Friday, April 21, 1995, Centier reached its one hundredth anniversary. Over the next two weekend days, a series of events celebrated the milestone—Mike was awarded the Sagamore of the Wabash Award by the State of Indiana's governor, Evan Bayh, to mark the occasion—and even more community events in honor of the bank's centennial stretched into the summer months. Concerts, ice cream socials, rides on a custom-made motorized trolley, and an old-time picture booth marked the occasion, but it was the parade followed by a party that stands out in the mind of Melissa Schrage Contrucci, Mike and Jill's middle daughter.

"The centennial celebration was nothing short of amazing," says Melissa. "My mom had old-fashioned dresses with bonnets made up for me and my sisters, and we got to ride in the parade in a horse and carriage." Melissa recalls the huge splash Centier made in the Whiting community for the milestone, with associates enjoying the celebration's food, drinks, games, and fun. "But the greatest part for me was watching my dad with his mom Doris take a step back and look at all that had been overcome and accomplished. The way she looked at him: I think she got the satisfaction of seeing everything she worked for to help my dad—to make my dad who he was—and know Centier was here to stay."



Michael Schrage, president and chief executive of Centier Bank, center, and Gordon Broderick, trolley driver, celebrate the bank's 100th year Thursday by delivering gifts for the employees.

Centier Bank marks 100 years

■ Whiting-based bank remains under the Schrage family's control.

BY SHARON PORTA
Times Correspondent

Not many financial institutions can claim they've been family owned and managed for 100 years. But Michael Schrage, president and chief executive of Centier Bank, thinks his family's commitment has

helped the bank to thrive over the past century. "Our family has placed the need of customers, staff and the community ahead of our own personal gain many times," Schrage said. "It started when my great grandfather put up his own money to cover loans during the Depression, and that attitude has continued throughout the years."

Four generations of the Schrage family have owned and managed the bank. Henry Schrage, a native of Germany and the bank's

founder, was able to open the bank of Whiting, as it was originally called, after Standard Oil purchased some of his family's land. Walter Schrage Sr., the family's next generation, continued his work with the bank while serving as mayor of Whiting.

His son, Walter Jr., became president upon the death of his father, and changed the bank's name to First Bank of Whiting to eliminate confusion with the State Bank of

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Among the centennial celebrations was the burning of a \$10 million note by Mike that was paid in full, facing page. The debt had been taken on in 1982 for the purchase of Crown Point and Southlake banks. Mike, Jill, and their three daughters dressed in period costumes, and Doris rode in a trolley purchased by Centier for the event.



Doris would live nearly another decade after the centennial, taking part in the bank's 50 Advantage Club, a senior loyalty program that offered monthly meetings, speakers, travel opportunities, and bingo mornings to Centier clients. Doris was an avid bingo player who loved sitting with her friends and always requested a bingo card with a space for B13, her lucky number. Doris often supplied the same sort of unvarnished assessment of bingo that she provided to branch associates. Donna Cafferata, who managed the 50 Advantage Club when Doris was a member, recalls one such example: "When we had a guest bingo caller from our trust department and the cards weren't falling right for Doris, she went up to the caller and said, 'Honey, don't quit your day job. You're not going to make it as a bingo caller.' She would keep me on my toes."

A NEW CONTRIBUTION

Although she had not followed in her mother-in-law's footsteps by being outspoken in matters concerning the bank, Jill began to take an active role in the business after her daughters became more indepen-

Centier continued to produce fun marketing campaigns, including a 101 Dalmatians-themed billboard to play off of Centier's 101 years in business, above.



dent adolescents. Jill's first project with Centier was assisting the marketing director with centennial events. "She said, 'We need some new blood to get new ideas here. We'd love to have you come in and help us plan this party,'" recalls Jill. "I started coming in a couple days a week to help with that event, and that's basically how it started. As time went on, I found that I really enjoyed the people and I loved the creativity."

Jill worked primarily with Donna Cafferata in the marketing department. At first, the rest of the marketing team was somewhat intimidated by having Jill join them. "The marketing team was understandably nervous because Mike's wife was going to come and work with us," recalls Cafferata. "I remember telling them, 'Folks, she's just like us. She doesn't want to be treated any different, and she's ready to roll up her sleeves and get her hands as dirty as the rest of us.' I said we don't have to walk on eggshells around her, they didn't, and it became a wonderful marriage."

Jill was aware of the marketing staff's trepidation around working with the president's wife. "I have to say, though, that I felt the same way," says Jill. "I'd been out of the workforce for a while, and

I didn't have any computer skills." Cafferata brought Jill up to speed on computer technology that had developed while she was out of the workforce. "I approached the job just like I'd want any of my children to go in there: feeling like they're there to learn, they're there to help, and they're there to give it their all."

Jill's down-to-earth attitude impressed associates and family alike. "I've always admired how Jill has taken on different roles within the bank in a very respectful way," says Jill's nephew Mark Hinshaw. "I've always gotten the sense that she just wants to lend a hand where she can, and has never been one to come in and sort of exert pressure to have things done her way. And I imagine it's meant a lot to Mike to have her involved. If she was not interested or didn't have the respect for associates that she does, then that would have been extremely difficult for him to lead with the compassion he was working to develop."

When longtime marketing department veteran Dee Geffert retired in 1997, Jill took charge of special events for the bank. "I enjoyed working in the marketing department very much, so I decided to start with a little bit of it and then began taking on a lot of different events, from bowling parties to summer pool parties." Jill spent months planning the company's annual Christmas party and related activities, doing everything from overseeing the catering to personally delivering each branch's Christmas tree.

Jill was forced to scale back her marketing activities in 2001 while she underwent treatment for cancer. Jill received the diagnosis four days before the terrible events of 9/11, made all the more traumatic because Laura was in her second day of working for a magazine in Midtown Manhattan at the time. Jill and Mike decided to delay notifying their three daughters of her illness while planes around the country were grounded, and then continued to keep Jill's condition to themselves for almost two months. "They came home at Thanksgiving, and that's when we shared the news with them," says Jill. "I was doing much better at that point: I had gone through quite a bit of the radiation and chemo and although I was still in bed, at least I think I looked a little better than I did in the beginning."

For Mike and Jill's daughters, the delay in learning about their mother's condition was initially upsetting. "I understood her reasoning why she didn't tell us," says Melissa. "Was I happy about it? No. But I had already known in my gut something was wrong." They rallied around their mother for the six months it took for her full recovery, with Melissa standing in for her mother alongside Mike at that year's Christmas party. "My mom is a pillar of strength, grace, and love. She had given us so much love, friendship, and guidance, and there was no way I would not do anything in my power to help her beat cancer."

Upon completing her treatment, Jill returned to the marketing department. In addition to her leadership in special events, Jill's daily presence at the bank allowed her character and values to influence the changing corporate culture. "The culture came to align with her natural self, her approach to people and business, her caring and sensitivities," says Mike. "All of a sudden, she didn't change, but the bank changed and changed right into her personality."

HEART OF THE MATTER

After his own illness, Mike had returned to work with a radically changed perspective on how he wanted to lead the company his great grandfather had founded a century earlier. Soon, Mike began the process of sharing his revelation with his associates, beginning with sharing books about "random acts of kindness," a phrase reportedly coined in the 1980s but that gained traction in the mid-1990s as a movement to improve personal and social well-being by performing unexpected helpful gestures for strangers. "There were a lot of random acts of kindness books out at the time so we bought a lot of paperbacks and placed them in each branch," says Mike. "I had every associate read them."

Soon, Mike and his senior leaders were putting forth programs that encouraged associates to practice kind gestures for clients as well as coworkers. The company newsletter provided examples of random acts at other workplaces, and special days were designated to sur-

prise clients with thoughtful actions. “We surprised clients with little treats, and I think one branch even tried being out in the parking lot to help people in and out of their cars,” recalls retired senior partner Carol Highsmith. “We had people washing windows of people coming through the drive-ups.”

As Mike’s reflections on the positive contributions he hoped to make to those around him deepened, he wanted his associates to understand his commitment to serving them, instead of working from the paradigm that their efforts were in service to him. Mike married a movement within management philosophy, “servant leadership,” with his commitment to random acts of kindness to create what he called a “servant heart culture,” in hopes of spawning a virtuous cycle of respect for associates and community support. With the assistance of Chrisanne Christ, Mike upended the traditional company structure.

“Our organizational chart now shows our associates at the top and Mike and our directors at the bottom,” says Christ. “That’s not just a marketing visual. That’s how we live and breathe here.” Not only are the associates placed above senior leaders; they are even placed above the bank’s clients, rejecting common refrains like “the company comes first” or “the customer is always right.” “Here, we spend more resources on our associates and making sure we take care of them, and we want them to know that they’re going to be supported,” continues Christ. “We have found it to be true that if you take care of your people, they’ll take care of the rest. Our atmosphere is very much a family, a supportive culture.”



Mike used the phrase “Servant Heart” to describe the combination of community giving spirit and servant leadership business philosophy he wanted to encourage in his associates. Chrisanne Christ, left on facing page, assisted him in developing the program. With Christ is Donna Hammersmith, Mike’s executive assistant, and the Servant Heart Bear, portrayed by Café manager Bob Lueder.

At the same time, Mike has asked associates to tap into their own generosity and compassion for the client, to embrace a view of themselves as servant leaders seeking to meet the clients’ needs. “The culture we have is one of putting others ahead of yourself,” says Christ. “Our servant heart culture is what leads us. It’s what we practice.”

Developing a servant heart culture had been instrumental to the bank’s soaring customer satisfaction, according to Laura Schrage Campbell. “After the bank started implementing the whole servant heart concept into the culture, it seemed like ninety percent of the clients I talked to would comment on our culture,” says Laura, who served as assistant branch manager of the South Lake branch in the mid-2000s. “I do believe that this is authentically our culture by the way our associates treat people, by how they go the extra mile and take extra time with people who need it. I know there is a servant heart–based undertone to how every associate operates.”

Mike further codified the corporate culture by working with the bank’s officers to create a list of values that embodied the spirit of the bank. Small groups of officers considered the qualities they most appreciated within the organization, presenting their ideas as Mike jotted them down on a whiteboard. When the exercise concluded, the group had arrived at six values: integrity, respect, friendship, caring, courage, and loyalty. Despite all the self-reflection Mike had done since his illness, the last value stuck in his craw. “I resisted the bank having loyalty as one of its values after being burned so extremely in the mid-1980s,” says Mike. “I still felt like there must





Mike's extensive reading on business, leadership, and marketing informed his initiatives at Centier. Among them was a goal of giving clients a sensory experience when visiting Centier branches, including music, scented candles, hot drinks, and candy.

not be any loyalty in the business world." Over the years the values were refined, with an easy-to-remember acronym, CLIFFE, for caring, loyalty, integrity, friendship, and fun.

Mike's leadership team has been transformed by the culture just as much as the front-line associates have. "I'm blessed to have been part of a group of people focused on doing something meaningful," says Bob Buhle, retired senior partner. "I've been multiply blessed to have been a leader for a period of time in this organization, where I could serve people, where I could help people. Even though I was often in backrooms and basements, we worked for others. The people I've met and relationships I've created will stay with me for the rest of my life."

ONE OF THE FAMILY

With its transformed culture, Centier began to earn acclaim as a desirable workplace. Mike's commitment to local branching, client focus, and family-like support of associates placed Centier in stark contrast to what banking professionals were seeing in other institutions—and many of them preferred what Centier had to offer.

The banking industry had undergone substantial changes during the early 2000s, with interstate banking and consolidation redefining the landscape. In 1994, President Bill Clinton signed the Riegle-Neal Interstate Banking and Branching Efficiency Act into law, giving holding companies the right to purchase out-of-state banks in 1995 and then merge the banks they'd acquired into a single network in 1997. By 2000, the number of individual bank charters fell to fewer than 8,500 from the 14,000 or so that existed in 1985. Within a few years, massive bank mergers—like Bank of America and Fleet Boston in 2004 and JPMorgan Chase and Bank One that same year—created nationwide behemoths.

Against this backdrop, a bank that aspired to become the largest bank in Northwest Indiana—a goal Centier would go on to reach in 2017—made the regional nature of the Schrage family's bank more pronounced. That identity, however, was a key differentiator for

associates. "Centier has been able to attract people from the Illinois market, which wasn't always the case because we weren't that large," says former senior partner Carol Highsmith. "When banks started disappearing and Centier became more of a driving force in Northern Indiana, I think that helped people decide where they wanted to be. Because now, in banking you either work for one of the big guys like Bank of America—one of the really huge megabanks that operate across the country—and become a very small part of them, or you take the stance that you want to be part of a family. At Centier, we're going to look out for you. We're going to think about you as an individual, and what can we do to help you be successful in our organization. The larger banks don't think twice about laying people off if times get hard, and if they decide to get rid of a division, you're out of a job. It's a whole different mindset."

This personal touch didn't just extend to associates: new efforts to make clients feel welcomed in each of the branches were adopted around 2005. As part of his extensive reading on business and leadership, Mike came across the retail trend of using sensory experiences—smell, sound, and taste—to encourage them to be comfortable and want to linger. Mike came to Highsmith and said he wanted to have scented candles burning in all the branches, along with offerings of coffee and candy. Tootsie Rolls were selected for the candy, and special on-demand brewing machines that provided coffee or hot chocolate were installed in each branch. A background music service was engaged, as well.

"I had speakers put outside so people had a sensory experience even before they opened the door," says Mike. "Then, when they opened the door, they got a sense of candles that were inside."

Highsmith and her team made various tweaks to the sensory program in an effort to carry out Mike's goals. Concerns about burning candles around paper, client and associate sensitivities, and the high cost of replenishing candy dishes that were popular with associates as well as clients took their toll. When the 2008 Great Recession put pressure on the bank's bottom line, all but the coffee machines were discontinued.

In addition to making clients and associates feel like people instead of numbers, Centier also sought to make compensation and benefits attractive. “We’ve always tried to be very competitive,” continues Highsmith. “We were always doing salary surveys to make sure we were competitive and could attract people who had a good work experience and that we didn’t lose good people. Could we be competitive with what was offered in Downtown Chicago? Probably not, but I think when you look at the larger cities of Indianapolis and Fort Wayne, and maybe even some of the cities in Michigan, we were.”

With Christ’s help, Mike began using predictive index (PI) personality and behavioral assessments in the hiring of new associates and to determine how best to work with his existing ones. Chris Campbell had just begun dating Laura in 2000 when Mike asked Chris to complete the assessment. “We were just hanging out on the porch and Mike comes out and he says, ‘We’re trying this new thing out. You mind helping me out?’” Chris agreed, even passing the assessments on to his parents and siblings in an attempt to assist Mike. “We never heard after that. Then, when I came into my first day of work in 2006, they presented all of us new hires with the results of our PI tests. I raised my hand said, ‘I didn’t take one of those,’ and was told, ‘Oh, yes you did.’ It was from six years beforehand. My brother-in-law Anthony experienced the same thing.”

Centier also encouraged associates to recruit among their friends and family. “We have a referral service benefit inside the bank where we pay our associates when someone is hired that they’ve referred,” explains Christ. “When you’re here and you learn about the culture, you want to reach out and share it. For many associates, they might say to a neighbor or friend or family member, ‘Oh my gosh, you would love working here. We have an opening; come work for us!’ We have a lot of generations from the same family that work here. As long as there’s not a conflict of interest from a supervisory or regulatory standpoint—like an auditor can’t audit a family member’s branch—we welcome family members coming and working for us.”

As Christ herself knows from experience, even clients get recruited. “I was actually a client of the bank,” relates Christ. “I was

working for another family business at a job that required a lot of travel, and I just wanted to be done with that. My husband and I banked at one of our Crown Point locations, and one day when I was coming in to do my banking someone on staff mentioned they had an HR manager position open. She said, ‘Why don’t you apply for it?’ I started thinking about it because I loved banking at Centier. From an HR standpoint I was always so impressed with how happy the associates seemed. I thought they must be really focusing on their people. When you go into the HR field you want to work for a company that cares about their associates. I thought, ‘I’m going to check into this.’”

BEST BUT NOT FOR SALE

Soon, anecdotal satisfaction began translating to industry honors. In 2007 Centier began participating in the Best Places to Work recognition program presented by the Indiana Chamber of Commerce and ranked number one in the entire state in 2010. Achieving the recognition is based on an assessment of confidential employee surveys (weighted at 70 percent) and the generosity of associate benefits (the other 30 percent of the consideration). By 2019, Centier had made the Best Places to Work ranking for thirteen consecutive years, bringing it Hall of Fame status in the state.

Other accolades have followed. In 2014, *American Banker* ranked Centier the seventeenth best bank to work for in the entire country. In 2019 that ranking rose to number six, with the two other Indiana banks to make the list coming in at sixtieth and sixty-fifth. Effectively, the respected and influential national online publication and month-ly magazine declared Centier the best bank to work for in Indiana.

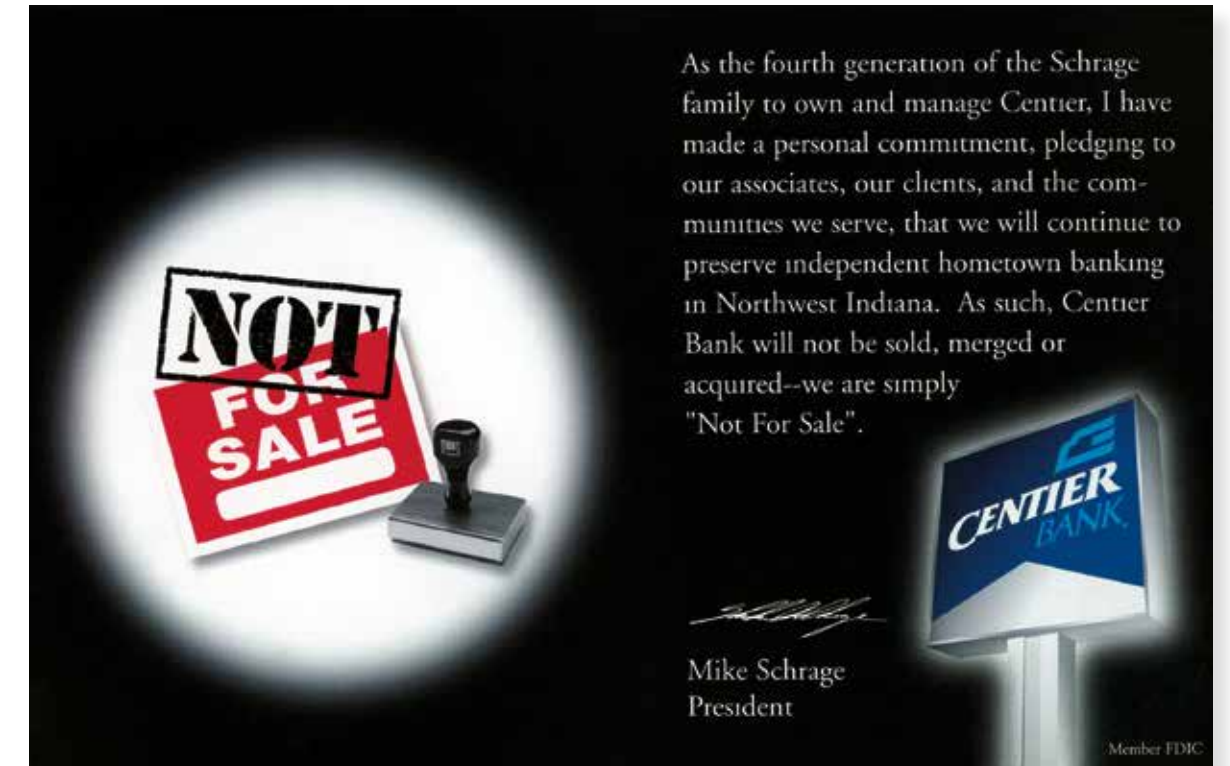
In light of the industry trend toward mergers and Centier’s increasing national profile, many happy associates might have also been a little nervous about how long the Schrage family would rebuff acquisition overtures. “When all the mergers started and all the big banks started buying up the little banks, all of a sudden some banks that had been in town for fifty or one hundred years were getting bought up by somebody out of Ohio or out of New York and

changing their names,” says Jerry Miller, Dyer branch manager. “The people were getting really concerned.”

Mike sensed that concern. In 1999, he launched an initiative that was part marketing campaign, part public edict: Centier Bank was “Not For Sale,” a statement that was emblazoned on everything from newspaper ads to billboards to ATM screens. Mike also issued certificates to every associate entitling them to an equal portion—split between all current and future associates—of a \$1 million penalty should Centier end up selling out before 2010.

“I always like to find ways to differentiate the bank, and I felt that I was at that stage of life where I could make a lifetime commitment,” says Mike. Not long after Mike’s pledge became public, he had to field challenge after challenge that he meant it. “A lot of people kind of chuckled about it and would say things like, ‘Don’t give me that. If I were going to give you a billion dollars for it, you’re telling me you wouldn’t sell it?’ I always answered that the bank is family, and I won’t sell out family. As long as I am around, it is not for sale.”

Mike also invites his associates to sign on to the commitment to keep the bank in the family—literally. On the wall facing the entrance to the Café hangs three framed documents with more than two thousand signatures. It is Centier’s “Declaration of Indepen-



As the fourth generation of the Schrage family to own and manage Centier, I have made a personal commitment, pledging to our associates, our clients, and the communities we serve, that we will continue to preserve independent hometown banking in Northwest Indiana. As such, Centier Bank will not be sold, merged or acquired—we are simply “Not For Sale”.

Mike Schrage
President

In 1999, as many smaller banks were being acquired by larger ones, Mike felt it was important to let associates know that he was committed to keeping Centier in the Schrage family. He instituted a Not For Sale ad campaign, above, to let the community know about his pledge.

dence,” a pledge to help preserve Centier as an independent, family-run bank. “Our associates are also invited to sign it as a symbol of the permanence of their contribution to the bank,” says Mike. “So even if they leave two weeks later, their name is still on there. They’re still part of the journey, the legacy, the family.”

That seemed to settle the matter for associates for the duration of Mike’s tenure, but what about the fifth generation? By the first few years of the new millennium, all three of Mike and Jill’s daughters were adults and were beginning to decide their priorities for their own lives. What if they didn’t share Mike and Jill’s commitment to the bank?

Another crisis for Centier would help answer that question.




NATIONALLY RECOGNIZED
 BEST BANK TO WORK FOR **7 YEARS STRAIGHT**

MEMBER FDIC AS VOTED BY AMERICAN BANKER

Forbes 2019
BEST-IN-STATE BANKS
Powered by STATISTA
Voted #1 In Indiana
by Forbes

Centier.com

By 2007, Mike's focus on earning the hearts of associates paid off, with Centier being named one of the Best Places to Work in Indiana. In 2010 Centier had earned the top ranking in the state; Mike and Jill celebrated the honor at the awards banquet, facing page.



A NEED FOR CAPITAL

In the mid-2000s, housing prices were skyrocketing. Lenders sought to capitalize on the boom by easing requirements to qualify for home loans, allowing many buyers with poor credit history to obtain sub-prime mortgages. These risky, higher interest rate loans were often bundled up and resold, creating a heated market for mortgage-backed securities. When the Federal Home Loan Mortgage Corporation (referred to as Freddie Mac) announced in 2007 that it would cease purchasing mortgage-backed securities and sub-prime loans, the bottom dropped out of the sub-prime market. The housing bubble burst and the Great Recession, the longest economic downturn since World War II, was sparked.

Centier was not caught up in the heated mortgage lending frenzy because Northwest Indiana simply didn't have the kind of demand

Mike has pledged to keep Centier family owned, and he invites associates to sign the bank's "Declaration of Independence," above, on their first day of work. The framed document hangs outside the Café, one of the main gathering places at the bank's headquarters. Facing page: Centier newsletters covering Celebration of Excellence events.

for real estate loans that was seen in other parts of the country. But as news reports increasingly focused on weakening home prices, layoffs, and personal bankruptcies, Mike could sense Centier's associates were getting nervous. "When things were starting to hit but we didn't yet know the magnitude of them, we had our Celebration of Excellence meeting," says Christ. "Mike got up in front of everyone and said, 'We have some dark days ahead. We don't know what's going to happen with this recession—how long it's going to be or its impact. None of us can forecast that. I don't know what the impact is going to be on the bank, but I can tell you that you do not have to fear for your jobs. We will not have any layoffs during this time. We may have to use you in different ways, but I don't want any of you to be worrying about your jobs.' I stood there in the audience along with all of our other associates listening to this and I was thinking, 'Wow.

What a statement.' Mike didn't share any of this with me prior to going out there. He may have just made a decision to lay fears to rest because we were starting to hear about people being downsized and it's natural to think, 'Am I next?' He came out well ahead of the layoffs hitting our local economy with that statement. I was just really blown away with the confidence."

In addition to assuring associates that their jobs were safe, Mike asked them to look for any and all cost savings and efficiencies they could identify to help Centier weather the recession. The associates heeded his call, identifying more than \$2 million in savings.

Although 2008 gained infamy as the year Lehman Brothers collapsed and many other major institutions had to be bailed out with funds from the government's Troubled Asset Relief Program—more widely known as TARP—that year came and went for Centier. "Our loan portfolio held up pretty well," says Mike. "But around 2010 and 2011, our investment portfolio took a hit and we had to write off a number of securities in that portfolio."

Because there was not the opportunity to write mortgage loans at the rate available to hotter real estate regions of the country, Centier instead put a portion of its capital into trust preferred securities, which are debt-funded trusts bundled up by investment houses then divided and sold to investors on the open market. "People jumped on board with trust preferred securities like they were the greatest thing since sliced bread," says Mike. "We put our toe in the water with them and found they were a great deal." Mike was so impressed with their performance that "I put the accelerator down and went from a

\$30 million investment to \$50 to \$75 to \$100, \$125, and \$150, tapping the brake a few times but not long enough to really assess and do the due diligence we should have done on it."

When the market for trust preferred securities disappeared in the wake of the Great Recession, Centier was left holding the bag. "To me it was a disappointment, a setback, but it wasn't anything like the trauma or the depths of the crisis we faced in 1984,

'85, and '86," says Mike. "It weakened our ability to continue to grow because it put a dent in our capital rating. We also had to write off \$95 million as a loss from our investment portfolio. So, it was a substantial punch."

The bank wasn't in danger of collapse, but it needed to be recapitalized if further investments were going to be made. "I approached the family with the choice to put some money into the bank so that we could get back on our feet and proceed ahead," says Mike. Mike brought the matter to his sister, Pat, but he also went to his daughters and to Pat's children to ask for help.

"I remember it like it was yesterday," says Chris. "We were sitting down at Mike and Jill's kitchen table and he was explaining the situation. I remember looking at him and throwing out a number. He didn't laugh, but he said, 'No, it needs to be a lot more than that.' Laura and I discussed it, and we had zero trepidation. We know Mike's a winner and also know he has been gracious and generous to each of the girls throughout the years. There was no question for us to go all in on this."



Melissa and her husband, Anthony Contrucci, were reestablishing their lives in the United States after spending the first two years of their marriage in Italy when Mike spoke with them about the need to recapitalize. “Anthony and I were just twenty-seven years old when this happened and had been married for three years,” says Melissa. “But when my dad approached us, it was a no-brainer. When he sat down with us I could tell from his face that something was wrong. Once he explained the extent of it, Anthony and I looked at each other and said, ‘Whatever you need, you’ve got it. Whatever we have, it’s yours,’ because so much of what we had was because of him and our forefathers.”



After Mike decided to weather the Great Recession without the aid of TARP funds, associates displayed signs of support and appreciation at a bank-wide presentation.

Anthony remembers how Mike shared extensive information with Melissa and him during that conversation. “He explained the situation and got into detail regarding the substantial hit the bank’s investment portfolio took and how that was impacting our capital,” says Anthony. “Mike also stressed his desire to not take TARP funds. He wanted to ensure that Centier remained well capitalized, yet, more importantly, that it remain family-owned and controlled.”

Stephanie Schrage was twenty-four years old when Mike approached her about helping with the recapitalization. “I was young, and I was just learning what my personal balance sheet looked like. The shares had been gifted from my parents so while I felt like

I wanted to be a good steward of the wealth, it wasn’t my wealth. My dad is the one that created what this bank had become, so when he asked for help it really wasn’t a ‘yes or no’ kind of thing for me. It was an ‘absolutely’ kind of thing.”

Stephanie’s cousin felt the same. “Being a shareholder and owning part of the bank is a gift given to us from Nana and Papa, who also had it passed down to them,” says Kim Hinshaw Tharin, Pat’s daughter. “Mike and my mom have both instilled in us that we can’t take it for granted, so I think we all have always treated it as a gift that could go away at any time. I just feel I’m extremely

grateful and lucky that I am a recipient of Mike’s hard work, so if there was something I could do to help preserve the family business, I would be happy to do it.”

For Mike, the fact that his niece and nephews felt the same sort of commitment to the family bank was a credit to his sister’s character.

“It’s part of my sister and my sister’s upbringing of her children,” says Mike. “I give a lot of credit to that. She never wanted to do anything with the bank, but I think she recognized that I wanted to ride this steer, and she was going to let me ride it and get bucked off a few times.” Pat and Mike inherited the same amount of bank stock from their parents: 25 percent each, though over the years Mike had added to his shares through acquisition. Throughout her

adult life Pat maintained ownership of her shares without exercising any control over operation or governance matters, allowing Mike to lead the bank with the comfort of her full backing. “She knew I was competitive and tenacious and she knew that I would find a way through it.”

SKIN IN THE GAME

Laura remembers how she and Chris determined how much they could contribute to the recapitalization. “We asked ourselves, ‘What’s the ultimate amount we can put on the line, and how can we make changes in our lives so we can do it.’ It wasn’t even a question in my mind. My dad said, ‘This is what we need from you,’ and we said, ‘Okay, we’ll make it work.’”

“I knew this was a moment that Anthony and I had to put the bank first,” says Melissa. “The bank as well as the associates have been so good to us and have been there through all the ups and downs; we knew we would always be here to step up. I knew my dad had been through many successes and many failures and had learned so much in his life. I had complete faith and trust in him and his reasonings on why we needed to do it. He is my hero; he is selfless, smart, loving, and supportive; and most of all, he made me into the woman I am today. His competitiveness taught me to never give up, he supported me through school projects and homework, he was selfless by always putting us first and making our childhood a dream. But his biggest gift is the gift of compassion for others and demonstrating a true servant heart.”

Even Chris and Anthony’s families decided to throw their support behind Mike and the bank. “Chris’s family—his parents, his brother—bought stock,” says Anthony. “My parents and my sisters have bought stock too. I mean, we are all in. It’s not just the Schrages and Hinshaws that care about perpetuating this legacy: it’s the Campbells and Contruccis, too. It’s a village.”

The family contributed millions to help recapitalize the bank. The fact that the fifth generation locked up such a great portion of

their assets in support of the bank demonstrated their commitment to the bank for the long haul. “I would be lying if I told you I knew the personal finances of all the Schrage family members, but I can be pretty sure that most of the fifth generation stepped up and put probably more than they should have from an investment point of view,” says Joe Erpelding, former comptroller. “If I were a financial consultant for any of them, I would have probably told them, ‘Don’t put that much in. You’re crazy. You’re putting 100 percent of your eggs in one basket. You need to diversify a little more.’ But that just isn’t their way, and it isn’t the way the bank works. The bank works because everybody’s laid it on the line and protected what they consider a very valuable part of the community and their lives. I mean, they’re all in.”

The fifth generation’s contribution wasn’t widely touted. “I don’t think it’s common knowledge that they really stepped up to that degree,” says Mike. “We just acknowledged that the family, the directors, and some of our team raised what we needed to raise to put the bank in good shape to go forward.” With the fifth generation’s involvement in recapitalizing the bank, their actions spoke louder to their Not For Sale commitment than any words could.



The construction of the Centier Corporate Centre in 2008 allowed operational and administrative associates to come together under a single roof, purpose-built to meet the bank's needs and reflect the organization's values. Here, the circler, the Centre's crowning architectural detail, is placed atop the tower.

6

CEMENTING A CULTURE

At the same time that the banking industry was in near collapse, Centier was building. For many years the Centier associates who were not client facing were scattered throughout the bank's various locations. Crown Point had the highest concentration of operations personnel, but many others worked out of backrooms and basements throughout Northwest Indiana. "There was a cluster of people who made things work behind the scenes that needed floor space, so the bank took a long-term lease in downtown Crown Point," says Bob Buhle, former senior partner. "The accounting department was there, the bookkeeping department was there, and certain loan operations."

In the mid-1990s the bank leased a space in Merrillville that was large enough to consolidate the operations staff for the first time. "The first operation center was in a low, one-story, brown building," says Buhle. "We leased part of that property and put all of the operational people under one roof. And so that was the beginning of centralized operations." A few years later, right at the turn of the millennium, Centier bought property in Merrillville and built a single-story, blue-roofed building to house the operations team.

CENTERPIECE

By the mid-2000s it was determined that Centier's corporate team should move to Merrillville as well, and plans began for a multistory corporate center. Mike and Jill took an active role in the design throughout the two-year project. "This was going to be a centerpiece in Northwest Indiana," says Highsmith, who served as project manager. "It would also reflect Centier, so they wanted to be very involved with crafting the kind of impression that they wanted people to feel when they walked into the building." Mike made the final selection of architect and approved floor plans and color schemes with his wife, and Jill selected all of the artwork.

Mike and Jill's interior and exterior design choices were influenced by their travels throughout Asia. The five-story, circular glass tower would be capped by a twenty-seven-foot-high, forty-two-foot in diameter gold and silver "circlet," a crown-like ornament that extended the building's visibility from nearby freeways and gave the building a distinctive appearance.

One of Mike and Jill's priorities was that the headquarters, dubbed the Centier Corporate Centre, be a building designed with the associates in mind. Mike was adamant that the executive offices not be located on the top floor, and he decided to forgo the tradition of a private executive lavatory. Instead, he wanted that prime real estate to be used for the headquarters' dining facility, known as the Café, so that all associates could enjoy the fifth floor's expansive views. The fitness center was also designed with views in mind.



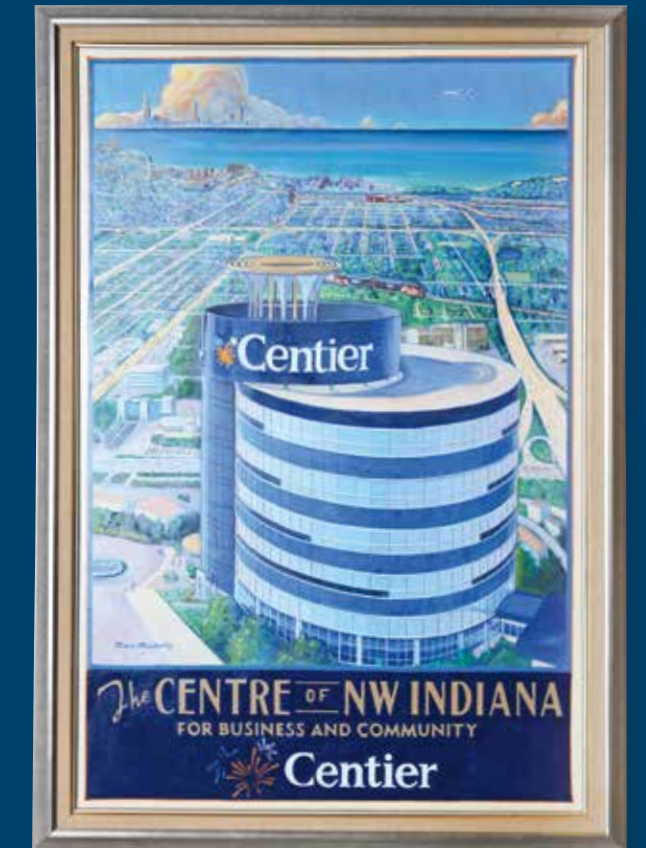
Jill, Mike, and Carol Highsmith worked together to plan the corporate headquarters that opened on August 21, 2008. Facing page bottom right, from left: Highsmith, Bill Gorski representing the construction company on the project, Jill, Mike, Sam Jones of the design and engineering firm, and architect Peter Brinckerhoff. Jill, above, focused on interior design and artwork.

Another amenity for associate wellness is the presence of several "privacy rooms," where associates can go to administer an insulin injection, pump breast milk, or just take a few minutes to relax. There is also an onsite health clinic. "Anything through the clinic is free," says Christ. "Your prescriptions, your lab work, your whole appointment, flu shot. Whatever you're getting done through the clinic, if you're getting it done within the clinic walls, it is 100 percent free. If you decide not to use the clinic and go elsewhere, you have that choice. Then you would just use your health plan."

A significant space in the new headquarters is the Foundations Room. Here, new associates receive a three-day orientation program, known as Foundations, on the core values of the bank. They also receive a personal lesson on the history of the bank from Mike, who used to hold the Foundations programs in his office and continues to spend a couple of hours with new associates during every Foundations program held throughout the year.

Mike was sensitive to the disruption relocating to Merrillville would cause some associates, especially the longtime ones. "The majority of the people in the consumer loans department lived in Whiting," says Barb Jerzyk, under-writer and Centier's longest-serving associate. "Merrillville was not far away, but some of the older generation were established and liked their five-minute drive to work. So Mike approached me and said, 'I just need you to be the cheerleader for the department. Tell them everything's going to be okay.' So we came in on the weekend to try to get people comfortable, we carpoled for a while, and it was fine."





The Centier Corporate Centre's most distinctive architectural element is its twenty-seven-foot-tall cirlet, which gleams gold during the day and is illuminated at night. Below the tower is the blue-roofed Centier campus, which serves as the bank's technology and operational nerve center.



Centier initiates associates into its values and culture with a multiday course called “Foundations,” which has a dedicated classroom within the Centre. The headquarters also has a range of amenities for associates, including fitness classes, facing page top, and an on-site health clinic, facing page bottom.



Probably the most notable change for long-time associates was seeing so many new faces. “I can walk down the hall and see people and say to myself, ‘I think I know that person but I’m not sure,’” says Jerzyk. “Sometimes it seems like there are new people every day, but there are still enough of us oldtimers here.”

BRICK BY BRICK

Those “oldtimers” have always been important to Mike, and he has found many ways to demonstrate his appreciation for associates’ longevity. From lapel pins marking each half-decade anniversary to the creation of the Quarter Century Club, Mike sought to honor long tenures.

The Quarter Century Club began in the early 1980s with about a half dozen associates who’d been with the bank for at least twenty-

Longtime associates are honored for their service and loyalty. Above left: Bricks at the Centre’s entrance carry the names of all associates who have worked with Centier for at least ten years. Above right: Jason Harris, receiving his associate brick. Facing page: The members of the first Quarter Century Club, clockwise from bottom, Dee Geffert, Eugene Kasper, Herm Stauffer, Jim Niermeyer, and Bob Strisko.

five years. Initially, the annual celebration was an intimate dinner at the restaurant in the John Hancock Center. As the ranks of members grew, Jill took over the organization of that event. “Jill decided a play or musical and dinner would be a much more relaxed, enjoyable atmosphere,” says Jerzyk. “So we were able to let our hair down, and we’ve seen some great shows, eaten fantastic food, and had just a wonderful time. There are people who say, ‘I’m staying here until I can get into the Quarter Century Club.’”

Every retired member of the Quarter Century Club is also invited to attend the bank’s annual Christmas party, another way Mike and Jill work to keep in touch. “We all look forward to getting together once a year for our Quarter Century Club outing, and we’re all still invited to the bank’s Christmas party,” says Highsmith. “I think that’s what made Centier the strong organization it is.





The Quarter Century Club is an honor society of associates, current and retired, who have worked for Centier for at least twenty-five years. Quarter Century Club members have their portraits displayed at headquarters and are invited to the company Christmas party as well as annual cultural events.

People realize that if you do a good job, if you're making a contribution and living up to the expectations for your job, the bank is going to do everything they can to keep you part of the family. And that's really how you feel: you feel like you're a part of the family."

Mike solicited Highsmith's help to pull off his most elaborate tribute to associate longevity. As part of the construction of the Centier Centre, the entrance to the lobby was designed to accommodate bricks that would carry the names of every associate who had worked at least ten years with the bank. "The bricks out in the front were actually Mike's idea and became part of the building process," says Highsmith. "Matter of fact, we had to keep them a really, really big secret. Nobody knew we were doing this. So when we installed them, we had to cover them up for days so that no one knew what was going on."

Each year, usually in August, the bank has a ceremony to unveil the new associate bricks, which are awarded for ten and twenty-five years of service. "It is a big deal," says Mike Leep, director emeritus, who joined Centier's board in 2009. "I've made it to eight out of nine of those presentations, and they are always an emotional, happy time. It's a celebration of honoring people who have made the commitment to Centier, but at the same time Centier has made a commitment to them. It's really special."

"The bricks make the associates feel like they are appreciated," agrees Brenda Stelow, Mike's former executive assistant. "People are very proud that they work for Centier and, more and more, people don't seem to leave the bank. They realize what Centier does for them, and that they truly are a family-owned bank that cares about the people who work for them."

GROWTH STRATEGIES

In the decade following the Great Recession, many of the nation's banks were forced to hunker down—if they were left standing at all. National behemoths toppled, and in Northwest Indiana, the number of independent community banks contracted to just five. Centier,

however, flourished. In the decade following the Great Recession, Centier doubled in size, continuing a trend of remarkable growth.

Centier managed this feat through a combination of bold expansion, careful administration, and steadfast multigenerational shareholder support.

Although Mike embraced growth in the 1970s and early 1980s with what he now considers reckless abandon, he still believes those risks were necessary. "Taking a bank from a sleepy savings and loan to a multifaceted, modern-day commercial bank was a significant journey," says Mike. "And it was especially so with people who had been used to an 'It's a Wonderful Life' kind of bank."

The growth strategy Mike led in the twenty-first century was far more calculated. Though still considering himself an opportunist, Mike had learned from earlier pitfalls like the exposure to mismanagement—even a coup attempt—when he barreled into indirect and asset-based lending, and from the significant investment portfolio losses when he performed insufficient due diligence on trust preferred securities. "I'm searching for more experienced people than myself from larger banks to bring in, so I don't make those errors," says Mike. Through trial and error, he also discovered the difficulties of preserving corporate culture in the wake of tremendous growth.

"There was a realization that double-digit growth in the late 1970s put an extreme pressure year after year on our culture and personnel and attitude," says Mike. "We have learned from that and going forward we realized that our path in the future has to be measured growth to keep the culture as a priority."

Difficulty in assimilating senior leaders who joined then—First Bank of Whiting through the acquisition of First National Bank of Crown Point in 1982 had taught Mike important lessons about merging corporate cultures. "It was a matter of distrust," says Mike. "The Crown Point associates had been sold out and taken advantage of, and so the management of the Crown Point Bank had been a little bit of a revolving door. There was just a tremendous amount of distrust and lack of loyalty, and it was very hard for them to believe we were going to treat them fairly. It took at least five years to build

their trust and confidence." Going forward, Mike resolved to expand through organic growth rather than acquisition.

Mike's expansion plans had been altered in 2006 when the United States Justice Department alleged that Centier Bank had violated the Equal Credit Opportunity and Fair Housing acts through a practice known as redlining. The Justice Department claimed that Centier had failed to provide banking services to communities within northwest Indiana that were made up predominantly of Hispanic and African American communities.

The absence of branches in East Chicago, Gary, and Hammond were cited as evidence of the discriminatory practice. In Mike's mind, the reasons for Centier not having a presence in these communities was innocuous: at the time Centier would have expanded into these communities, when industrial "steel belt" communities were still thriving, banking laws prevented Mike's bank from opening new branches. By the time those banking laws changed, those communities were mired in "rust belt" contraction. "Any retailer, whether you're opening a Dairy Queen or a bank, looks to growing cities, towns, populations, and business areas. That's what we were doing," says Mike. "Gary, Hammond, and East Chicago were declining, devastated and running on fumes. Why would we go there? Instead, we were looking for evolving markets."

Mike believes Centier's growing prominence in the mid-2000s made the bank a target. "Centier was very strong at the time, doing extremely well," says Mike. "There were many other banks in the area of Lake County that had skipped over the same communities but we were one of the higher profile ones out there. And so, they decided to make an example of us."



Among the expansion efforts Centier mastered was placing banking centers within retail settings. The strategy allowed the bank to offer unparalleled convenience while establishing Centier as an integral part of the community.

Although Mike did not believe the accusations were warranted, Centier opted to cooperate fully with the Justice Department. Centier's expansion plans were put under review for a period of five years, during which the bank pledged to open branches in the three affected communities. "We wanted to go into those communities with the approach that we were not just going to comply but to try to positively impact the communities by our presence, our programs, and our people," says Chrisanne Christ, senior partner. "Since there were so many underserved, underbanked people in those communities, if they had an emergency, they had to take a payday loan or borrow from family. They didn't have a savings account to be able to dip into to help buy new tires for their car or buy a new refrigerator if their old one broke down." In addition to opening the branches, Centier promoted two associates to offer home loans in Gary and East Chicago and assigned a community relations associate to promote Centier's financial literacy programs. "We wanted to do more than what's being asked of us," continues



When Centier opened its branch in downtown Indianapolis in 2015, it did so with carefully planned fanfare calibrated to announce its presence to the city.

Christ. “We saw this as an opportunity to help our neighbors and to not just come into a community and take but to give back.”

In a news release announcing its settlement with Centier, the Justice Department acknowledged the bank’s compliance. “Centier cooperated fully with the Department’s investigation into its lending practices and agreed to settle this matter without contested litigation,” the October 2006 statement read.

NEW MARKETS

In the decade following the Great Recession, Centier expanded geographically, developing beyond Lake, Porter, LaPorte, and Marshall counties. After moving into Lafayette and Michiana, Centier was in a position to take on Indiana’s state capital and largest city: Indianapolis. Centier entered that market in 2011 with the opening of a commercial loan production office in the community of Carmel and opened its downtown retail branch in 2015.

Entering a new market by first opening a commercial loan production office was a strategy Centier used repeatedly in its expansion efforts. “You can open a commercial banking business, a small business banking center, and a mortgage origination center a little more cost effectively than a retail operation,” says Buhle. “Then you reach out into the communities and you begin developing the rapport that brings the consumer banking along. We would go into a community and establish relationships with many businesses by hiring trusted lenders in those markets. Then those businesses’ associates would form the consumer basis for the retail part of the bank.”

Leading by opening a loan production office also allowed Centier to build a local team that reflected the bank’s culture and expertise, says Darrell Jagers, retired senior partner. “We can always build a building but unless we fill that building with people who exude the brand and have the skills and expertise to deliver the products and services that we have, you only have a building. It’s really the people that make the brand come to life.”

Mike Schrage was central to new market research. “He has always been very savvy in understanding the competition, the vulnerabilities of the competition, and leveraging those vulnerabilities with our brand,” says Scott May, senior partner. “He would ask how we could take the Centier brand into other markets, whether it was the right time to introduce the brand, and whether we have the talent to tell our story.” That savvy produced positive results, says May. “Mike went into exactly the right markets. When there is disruption in the market, Mike is way ahead of it.”

In addition to analyzing a potential new market on paper, Mike would frequently pound the pavement in his quest for suitable communities. “Mike’s going to be driving around and parking in places and talking to people and developing a level of comfort before we move forward,” says Buhle. “We’re employing statistical and analytical techniques to understand the markets that we’re moving into—where the growth is, where the business is, where the people are, where the building is occurring in both residential and business—that help substantiate the gut feeling that this is a right community. Oftentimes it’s years before things fall in place.”

When Mike did not hold to his tested methods, the results weren’t always pretty. In 2013 the opportunity to launch a retail space in Fort Wayne presented itself. Centier had entered the market with a business banking center in 2008, but when Mike’s team got word that a competitor was abandoning its location in a Fort Wayne Kroger, the location sounded like a perfect fit. “Supermarket branches was niche of ours,” says Mike. “We were doing it pretty successfully here in Lake and Porter County so we felt like we knew what we were doing in supermarket banking.” Instead of visiting the Kroger himself, Mike relied on the endorsement of one of his executives who had worked in the area and was familiar with the supermarket branch. Based on his recommendation, Mike ordered his team to move quickly to get the branch open: swapping out signage and hiring staff from the branch. Unfortunately, the executive worked from memory, and the branch had been relocated from the front of the store to the back in the years since he had last visited it.



Mike and his executive team didn't learn of the relocation until they attended the ribbon-cutting ceremony that April. "I looked at him and said, 'Why are we in the back of the store?' He said, 'Well, it used to be in the front of the store.' I responded, 'Well, it's not now.' So shame on us for not doing our homework." Though Centier had signed a three-year lease, they only stuck it out for a handful of months before deciding to close and regroup. "In order to save our future reputation, we decided to close this thing and admit we screwed up, we made a mistake. We promised we'd be back later and do it right in Fort Wayne, which we did."

Associates receive training using replica cash and a mock bank setting, above left. Practicing the interpersonal aspects of bank transactions is equally important. Above right: Donna Cafferata, branch manager at Whiting, meets with a client who has banked with Centier for more than thirty years. Facing page: Suzy Witek, a universal banker at Michigan City, warmly greets a client.

ing up a caravan of vintage Studebakers for the opening of the South Bend branch in 2017 to bringing spotlights, a red carpet, and a jazz band to the 2015 opening of downtown Gary's branch, Centier pulls out all the stops. "We try to think of something in the area that will help generate a big buzz."

Just as Wally Schrage used window displays to draw in sidewalk crowds, so has Mike emphasized location and signage to grab the attention of potential clients. "Mike very much follows in his father's footsteps when it comes to the importance of street presence, and the value of using a facility as a three-dimensional billboard," says

Deborah Lumpkin, senior partner. "Even though in-branch traffic has gone down because we've given clients alternative channels to bank with us, at the end of the day, people still want to see where their money is. So when we look at locations, we really think of them as marquee or billboards: part of our marketing is the physical space."

CELEBRATION AND SIGNAGE

When Centier does move into a new market with a retail presence, it makes its presence known. "We don't just go in quietly," says Melissa Schrage Contrucci. "We go in with a big splash." From lin-

The design of the Michigan City branch, opened in 2019, echoes the Centier Centre's cylindrical tower.





Centier often chooses a downtown location for its initial branch in a new community. “If at all possible, we want to make sure that we have physical space in downtown locations,” says Lumpkin. “A downtown location is the heart of the community, and that’s part of who we are as a brand.”

Centier has grown also in terms of its technology. “Well, we have been somewhere between the bleeding edge and just a little bit after the cutting edge on some things,” says Don Baker, senior partner and chief information officer. “For some things we were early adopters and other things, we chose to wait a bit because our consumers weren’t pushing hard.”

Online banking, mobile banking, and peer-to-peer payment have developed within the banking industry over the past decade, and Centier has made these services available to its clients while also looking at ways to update the traditional branch design. Many of Centier’s branches had been updated over the years to incorporate subtle circular brand elements and photographs that reflect the local community. In 2018, however, the bank took part in a wholesale reimagining of the Fishers Crossing branch outside Indianapolis. Murals replaced photographs. Vibrant blue and orange (Centier’s logo shades) made the branch pop with contemporary color. Warm gray with rich walnut finishes replaced conservative cherry wood. A tech bar for tablets joined a coffee bar for locally produced coffee.

These changes were made with the aim of attracting a broader demographic, explains Lumpkin, who worked with Jill on the project. “The goal was to differentiate us, go after a younger market, and make us look very savvy but still very grounded and down to earth,”

says Lumpkin. “Aesthetically in banking centers that’s a hard balance to strike: many banking centers are very contemporary in design but they feel cold, and that’s not our brand. We had to figure out what we could possibly do to make sure we kept our warmth of amenities and service, but yet put a more modern twist on it.” The redesign became

the model for future banks, including the Whiting branch, the plan for which included a small museum presenting the bank’s history.

NEXT GENERATION BANKING

Even when a new technology or design concept is offered, those who aren’t interested are not left behind. “If you’re progressive and you don’t want to visit your bank, that’s fine; you can do everything you want without coming into a bank,” says Baker. “But if you want to

come in and have a cup of coffee or a donut on a Saturday morning, talk to the person on the other side of the counter, or get help with your mortgage, car loan, or bank account that’s not balancing, we’re there for you. And while you’re there, through that interaction, we might have an opportunity to bring you to new products and services of the bank.”

Technology has not changed the way Centier looks at its clients: “Whether people apply for loans via the Internet or a stop in a branch, the underwriters review every loan that comes in the exact same way,” says Jerzyk. “We try to make that specific loan for that specific client, so we may go back to the branch and say, ‘Hey, can you talk to the client about this?’ We’re not just looking at the hard numbers, but we’re actually taking into consideration everything we can.”



Jill, above, worked on an update of branch interior design in 2018. Facing page: The Fishers Crossing branch reflects Centier’s most current aesthetic, blending fresh contemporary design with the warmth Centier branches have traditionally exuded.

TRADITION AND TRANSITION

While the principles on which Centier Bank was first founded remain steadfast, Centier's physical presence bears little resemblance to the Bank of Whiting Henry Schrage Sr. established in 1895. The Whiting bank building constructed in 1910 is still serving clients, but it is just one of sixty-five branches in Centier's now-sprawling network.

Centier has adapted to the industry-wide shift toward a digital culture, and has offered new digital channels to meet that demand. "We recognize the changing consumer habits that have emerged and are shifting accordingly," says Chris Campbell. "But we are not forgetting our culture and our service."

The past two decades have seen staggering growth for the bank. "Usually, successful people have a growth orientation to them, and Mike certainly does," says Terry McMahan, director emeritus who joined Centier's board in 1983. "In business there's the belief that if you don't try to grow and you stay flat, you can lose your way in the marketplace. Mike continues to grow: he's reached out to Indianapolis, he's in Fort Wayne, he's gone east from here, he's gone south a little bit. He's getting beyond a local bank. He's not regional, but he's becoming a player in the state of Indiana."

The Schrage family remains proud of their family's legacy with the bank. Standing in front of the replica arch from the bank's first location in Whiting are, left to right, Anthony, Melissa, Jill, Mike, Stephanie, Laura, and Chris.

At the beginning of the millennium, Centier had twenty-seven branches and about \$975 million in assets. By 2020, Centier's assets had increased to \$5 billion, and it had captured the top spot in market share for the Northwest Indiana region, having seized that title from Chase Bank in 2017. The bank Mike had once hoped to make the largest in Lake County had become the largest in all of Northwest Indiana, surpassing his wildest dreams.

The determination and cohesiveness of its shareholders, predominately made up of the fourth and fifth generation of the Schrage family, made Centier Bank's geographic expansion, asset growth, and technological advancement possible. "Private, family-owned businesses that benefit from a cohesive shareholder base have an inherent advantage over publicly traded companies," says Anthony Contrucci. "Our associates really come first, our clients come second, and our shareholders come third. That's something you cannot do if you're a publicly owned company. But in multigenerational families, that cohesion typically does not happen by default. Rather, it requires a tremendous amount of intention, strategy, and discipline."

TAKING UP THE MANTLE

Although Mike was careful to never put the weight of expectation he felt burdened with as a young heir apparent to the bank, he did harbor hopes his daughters would be instrumental in carrying on

the family business. Through witnessing his own mother's drive and business savvy, Mike was under no illusions that a daughter couldn't be every ounce the leader a son could be.

"He's the one who definitely formed me into the strong woman I am today," says Laura, Mike's eldest child. "I'm a huge runner and I've done a lot of races, and he always pushed me. His message has always been, 'You have great mental strength. You can do whatever you want to do,' and what he made me feel I could accomplish at the bank was no exception. I remember having several conversations with him about how the bank would always be there, and that if it's something I want to do he would love for

me to be a part of it in whatever capacity I wanted."

As Laura was developing her career, she eventually decided to pursue opportunities at the bank. "Chris and I both participated in the management development program, then I worked as an assistant branch manager for about two years," says Laura. "But after we got married and started talking about having children, I stopped working."

Raising a family was also the priority for Mike's second daughter, Melissa, who therefore never pursued a leadership position at the bank

but decided to follow in her mother's footsteps by working part time in the marketing department after her two children reached school age.



Mike and Jill, above, remember the preparation and sacrifice it took to navigate leadership of the bank when Mike first took the reins. Members of the Schrage family's fifth generation, facing page, have worked to educate themselves on best practices for multigenerational family businesses in order to become good stewards of the bank.

Mike's youngest daughter, Stephanie, did have a keen interest in business and worked for a property development company in downtown Chicago and two national banks before coming to the family business. In 2009 Stephanie began rotating through several departments within the family business and now works with her father on business and board governance.

With the example set by his mother, Doris, Mike kept an open mind about who can supply support and strategic vision within a family business. With two sons-in-law working in operational roles within the business, Mike continues to perpetuate the example that one does not have to be part of the bloodline to make critical contributions to the family bank.

While never promising leadership roles, very early on Mike let both his sons-in-law know they were welcome to join the family business. "I remember sitting down and talking one day, and being told about the family business and opportunities that are available for those who would like to explore them," recalls Anthony. Although Anthony planned to follow his father into medicine, he was touched by Mike's gesture of inclusion. "I was extremely appreciative at the time, and I remember feeling how special it was to be invited into the tradition, the legacy, and the success of the family over those generations." It would not be for another five years or so, though, that Anthony decided to explore a career in the bank.

Chris, too, did not immediately jump at the chance to join Centier, despite Mike's invitation. "He had asked Laura and me to come back to Indiana and work at the bank for two years, and he would pay for our Master's degrees," says Chris. "I recall the conversation being kind of a two-way street, with the both of us feeling the situation out.



I had a great job and was on a very successful track. We agreed, but our plan was initially to go back to Washington D.C. or to New York and work on Wall Street and raise our family out there." After those two years in Indiana, though, Chris and Laura agreed it was the best place for the family they planned to raise together. "Number one, the opportunities within the business were endless. And two, the lifestyle balance Indiana provides was a lot better than what we had found in the big cities of New York or Washington D.C. We could always go visit those cities anytime we had a yearning to do so, but we decided we wanted to call Indiana home."



Pat's family maintains an interest in the bank through their role as shareholders, and a warm connection to Mike's family through regular get-togethers. Above: Pat with her husband, Tom Burgess. Right top: Kim Thrain with her husband Jim, son Jackson, and daughter Charlotte. Right middle: Mark and his wife Anne Steele, daughter Leila, and son Sam. Right bottom: Scott with his daughters Izzy (standing), Lily (left), and Grace (right).



Both Anthony and Chris demonstrated a willingness to work and have progressed in their careers at Centier. In 2016 Anthony was named vice president of community relations and business development and in 2018 Chris was promoted to senior partner.

Anthony credits not just Mike and Jill for allowing Chris and him to be full participants in the business but also Laura, Melissa, and Stephanie for welcoming their contributions to operations, estate planning, and family office matters. "They have allowed us to step into leadership roles, which doesn't happen often in a lot of families like ours. There has always been this sense of inclusion. I've never felt like an 'in-law' in the conventional sense of the word, that there is a distinction between the bloodlines and the married-ins. It feels like we're all doing this together. Mom and Dad never made me feel like certain information or opportunities were off limits due to the fact that we were married in and not part of the bloodline. In addition, we define our associates as family as well. I truly believe this will be a major factor in our success moving forward. This is due to the fact that we do not limit ourselves. Many family businesses put constraints on their family and who can do what, own what, lead what, etc. I feel this is a myopic perspective and inhibits value creation."

LEARNING FROM OTHERS

The fifth generation has taken it upon themselves to gain as much insight and exposure from other family businesses by joining the Family Business Center at Loyola University in Chicago and participating in other forums and exchanges. They have led the charge in educating themselves, their parents, and their own children about both the best practices and the pitfalls of other multigenerational family businesses.

Family members have participated in the Family Business Center's Next Generation Leadership Institute and the Family Business Stewardship Institute. "I've been able to learn quite a bit from Stephanie, Anthony, and Melissa on best practices," says Chris, who takes

part in YPO, the networking and education organization for young top executives. "It's been really insightful and enjoyable to hear about what other families are doing to grow, educate, and develop the next owners of their businesses."

"I think joining the Family Business Center and going to family business conferences have opened up their worlds and minds so that their perspectives aren't limited to their experiences with the bank," says Mike. "They've pushed me to participate a bit, too. They've leaned on me to go to some conferences, and I've told them it's not the top thing I want to be doing at this time of my life, but I plan to try it and see where we go from there."

A recommendation that Mike more readily agreed to was the establishment of regular family meetings. "We have monthly multi-generational family meetings, quarterly consultant-facilitated family meetings, and monthly fifth-generation family meetings," says Anthony. "And we've come to understand that working within the business is only one way to add value as a family member and as a shareholder. There are other ways you can add value, whether it be corporate governance as a board member, through family governance, or through the family office. I think Mike especially has seen that there are layers of opportunity for the family—not just for those who are in the business operationally."

SHARED EXPERIENCE

The Schrage family's fourth generation—Pat, Mike, and Jill—charted a path for the fifth generation to feel welcomed into the bank family. "Something they've done a tremendous job with is creating a fun, family environment, going all the way back to the early company picnics," says Pat's son Mark Hinshaw. "The picnics were often very simple affairs, but those warm summer days, with children and adults being out and about at the local park or wherever they might have it, established very happy feelings about the bank for my siblings, cousins, and me. They also gave us a chance to see that commitment to their associates and that commitment to their community."

Melissa also recalls playing with her cousins' and associates' children at the summer events. "We used to rent this pavilion in Crown Point near the public pool, and they would have a big pig roast. It was a potluck, so everybody brought something, and we provided the big pig. Afterward, the children would all go swimming or just play a bunch of games out in the field. It was super fun." For Melissa, attending those events as a child established her understanding that the bank operated as a family-like unit, and that the Schrage family's involvement in these sorts of events was critical to cementing that notion.

The Schrage fifth generation (G5) have also sought to strengthen the already-robust bonds they have among the cousins. In addition to the sorts of family get-togethers and holiday celebrations common among many extended families, the Schrage and Hinshaw families have established practices like a semi-annual family newsletter and, more recently, regular family assemblies, a structured gathering focused on enrichment and shared pursuits.

"We do a little bit of education," explains Melissa. "For the sixth generation, we will create a lesson where we tell the children, 'If we give two teams each \$100—the girls get \$100, and the boys get \$100—think about a philanthropic idea that you guys would love to give to. Come up with the reasons for your giving and find something that you all agree on. You guys have to talk it out and decide which one will be the ultimate recipient.' This little fun thing teaches them about our family's commitment to philanthropy while the adults might bring in a speaker to educate us on a philanthropic, estate planning, or business matter."

The Schrage G5 have shared with the Hinshaw G5 the best practices learned through the Loyola program and a consultant brought on to guide the family in 2017. Pat's children—Scott, Kim, and Mark—have also started to explore more formalized family governance to share with their children.



Mike and Jill chaired the American Heart Association's Heart of Gold Gala, which was themed to the Broadway musical *The Phantom of the Opera*.

COMMUNITY CONTRIBUTIONS

A shared value through the generations has been the belief that helping the community does not only mean maintaining a healthy, contributing business, but providing direct support to the people, institutions, and causes that need it. To that end,

Centier contributes more than \$1 million each year to charitable organizations.

One of the Schrage family's earliest multi-generational charitable efforts was creation of the Schrage Family Scholarship Foundation in 1995. Rather than focus on financial need or high school academic achievements as

many college scholarships do, the Schrage scholarship is most weighted toward demonstrated leadership by the applicants. The family has also focused on supporting financial literacy programs in schools and community centers, providing educational programs to both children and adults on healthy financial habits.

In 2017, Mike and Jill pledged \$1.5 million from the bank and their personal funds to help Crown Point receive a resource for health, recreation, and community through the creation of a new Southlake YMCA.

When the community of Whiting was set to become the home for the national Mascot Hall of Fame, the Schrage family was there

to help. Located within sight of the location where Henry Sr. opened his first bank at 1738 119th Street, the twenty-five-thousand-square-foot museum received a commitment of \$250,000 from the family and bank as it prepared for its grand opening in 2019.

In 2009, the City of Whiting became aware that the Immaculate Conception Catholic Church, which had acquired the Schrage mansion property in the 1920s, planned to vacate the land. In hopes of saving the Schrage mansion from demolition, the city's mayor, Joe Stahura, sought to accept the property on the city's behalf. "At that point, we really didn't have a plan, but the idea was to prevent any further damage to the building and see what we could do about stabilizing it," recalls Stahura. The cost to replace the roof and flashing, perform tuckpointing of the brick, remove debris, and improve ventilation in the basement totaled approximately \$400,000. "I immediately went to Mike Schrage and I told him about the property," says Stahura. "At that point, Mike took it under advisement and then committed to contributing \$100,000 to the restoration."

The Schrage mansion is not important just to the Schrage family, says Stahura; it is an asset to the entire community. "I think it is part of Whiting history," says Stahura. "Henry Schrage was one of this city's founders, Bank of Whiting played an extremely important role in the early days, and the mansion is a landmark in the community." The city later embarked on a second phase of restoration to bring the exterior of the property back to how it had appeared during the era when Henry Sr. used to tend to his bees. The restored garden, with an apiary likely similar to what Henry Sr. maintained, will serve as a venue for community and private events.

But by far the greatest recipient of the Schrage family's time and financial resources is Culver. Laura, Melissa, and Stephanie each attended Culver for their last two years of high school, and both Scott and Kim graduated from Culver as well.

Although Mike and Jill never pressured their girls to attend Culver, Mike did repeatedly float the school, recalls Laura. "I was the first one to go to Culver from our generation, and I never thought I was going to go. I remember my dad bringing it up lightly every year but I

always just dismissed it." During her sophomore year, Laura agreed to take a look at the campus. "Of course I got hooked. It felt like I would never know unless I tried." Although the first four months away from her high school friends were tough, Laura never regretted her decision. "I never thought that I could love a place as much as I ended up loving Culver."

For Melissa, the decision to attend was even easier. "Culver was always part of our lives," she says. "We used to go to the lake house and watch all the Culver kids at the summer camp march in their uniforms and play in the lake. During the school year, my dad and mom would take us to see the horses and parades on Saturdays, and we would watch the ice hockey games in the winter. We were always around it and we were always curious about it. For me, it was such a positive experience." Culver provided life skills that eased Melissa's path in college and lessons that served her in business. "I learned time management, how to study, how to be independent, and just kind of grow into my own and become a leader."

Even though her two older sisters had decided to attend their father and grandfather's alma mater, Stephanie never felt pressured to carry on the tradition. "It was a choice my parents left open for us. Now, with my sisters and I all choosing to go, it makes it that much more of an exciting legacy."

For Scott, attending Culver wasn't just about the academic and leadership opportunities the school provided, it was about being part of a legacy. "When I was at Culver, I had a picture of my grandfather graduating Culver and another picture of my uncle graduating Culver on my desk."

Mike, Melissa, and Kim have remained active alumni. "Culver was a positive and powerful experience for me, and it provided the tools that helped mold me for the future," says Melissa. "I enjoyed my time at Culver so much that I have taken a leadership role in my graduating class, helping raise money and keeping the class up to date with what is going on in people's lives. I hope one day my children would like to embark on the same journey I did and experience all that Culver has to offer them for their future."

“Culver definitely instilled in me leadership qualities and gave me more confidence,” says Kim. “Currently, I am on the Legion Board, which is essentially the alumni board, which Mike was on as well. Mike has since been invited to join the Board of Trustees, which is better suited for him.” Assisting with Culver activities has given uncle and niece a bonding experience they wouldn’t have had otherwise. “Mike and I are twenty-five years apart, so he celebrated his fiftieth reunion when I celebrated my twenty-fifth. Mike always likes to make sure the party is fun, so he planned some things for his fiftieth that the rest of us got to benefit from, which was nice.”

Mike has contributed more than time to his alma mater. He and Jill have underwritten the expenses of Culver’s drill team with an endowment they established in 2011 and contributed to the renovation of the school’s equestrian center stables.

In 2019, Culver broke ground on the Schrage Leadership Center, a 15,000-square-foot building with classrooms, meeting spaces, and an auditorium that will be used in development of a servant leadership culture at the school. “The legacy I want to leave at the bank is the servant heart culture and values,” says Mike. “And because my dad went to Culver, I did, our three daughters did, two of my sister’s children did, I want to help leave a legacy there, too. I want to leave Culver a better place than I found it, and I feel there’s an opportunity to distinguish the school from Exeter and any of the other East Coast private schools through a focus on leadership. Leadership experience could be a major recruiting attribute, with children saying, ‘I want to go to Culver not just because of the academics and sports but because of the overall leadership experience.’”

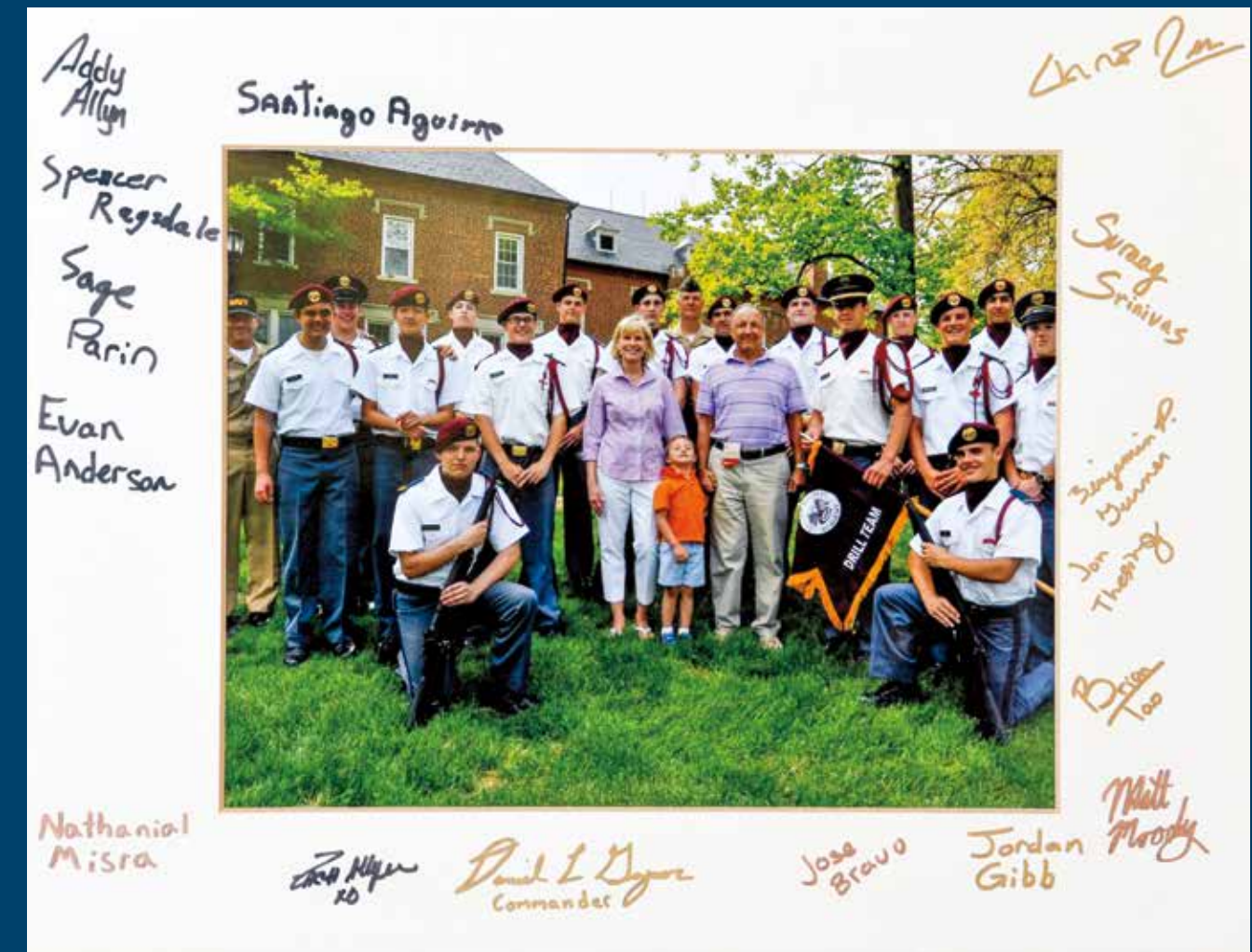
ENCOURAGING OTHERS TO GIVE

“The family members that I have met, and I’ve met most of them, have the same vision to carry the bank on and to do an awful lot of good in the community,” says Mike Leep, director emeritus. “This is a giving bank, and when I say they give a lot in the community I am not just talking about money. Their associates are very active in the

community in different areas, and that action of all the associates really makes a difference out there.”

The Schrage family has investigated ways they can make the biggest difference possible. “We want to make sure we’re creating impact and engaging with the community in a way that’s consistent with our values, culture, and brand. And we are always trying to challenge ourselves to engage with the community in different and unique ways. Hopefully, we are creating tremendous impact and value for the community long term,” says Anthony. Through research and consultation, the family realized that providing the tools and encouragement for associates to make their own contributions to the community could have a tremendous multiplying effect on what family members could accomplish through their own individual efforts. “The vast majority of our associates volunteer and have recently been logging in excess of twenty thousand volunteer hours annually throughout the state of Indiana. We touch well over a thousand nonprofits just through volunteerism alone.”

Associates have also taken the lead in helping each other, with the support of the Schrage family. In 2009, Chrisanne Christ became aware that some associates struggled to make ends meet despite receiving prevailing wages. Because of privacy concerns, associate checking accounts were handled by a small team in human resources, which gave Christ a window into these difficulties. “When I would handle the overdrafts of associates who were overdrawn on their checking accounts, I began to realize that we had some associates going through some very difficult times,” says Christ. “I would hear their stories: maybe they’re single parents really struggling to make ends meet or maybe someone’s going through medical issues or there was an accident or a spouse laid off. I was kind of a struck that we do a lot within our communities, donating tons of money and giving a lot of support outside our organization, but what were we doing for our own associates who were struggling?” Christ proposed the creation of a nonprofit that would serve as an emergency fund for associates experiencing financial hardship, and senior leadership and the bank board eventually agreed.



Mike and Jill underwrite the expenses of Culver Academies’ drill team through the establishment of an endowment in 2011. The couple, shown here with their grandson Kristoff and the Culver team, also contribute to funding Culver’s equestrian center stables.



The Schrage Leadership Center at Culver Academies, shown above in renderings, will house classrooms, an auditorium, and meeting spaces like the one shown in the rendering at left. Facing page: Mike and Jill, along with their grandchildren, broke ground on the site in 2019.

Centier established the CARE Program, which stands for Centier Associates Reaching out to Everyone and uses funds raised by the associates themselves to provide relief through items like grocery gift cards, utility or rent payments, or car repair reimbursement. “There are three of us in human resources who manage this program, and it’s very confidential,” says Christ. “We have a number of events to fund the program, like an internal angel tree to help support the children of associates who need presents for Christmas or winter coats and boots. We have school supply drives. We have Thanksgiving meals that we provide to associates who need that help. Our associates can make donations to the fund through payroll deductions, and we have fundraisers during the year. We might have a day where you can wear jeans to work if you donate a dollar, and our holiday party raffles are our biggest fundraisers. Whether you’ve ever been a recipient or just like knowing that we take care of each other during the tough times, the CARE Program makes people feel really good about working here.” As part of Centier’s 125th anniversary, in 2020 Mike and Jill endowed the future of the CARE program with a gift of \$1 million.

In addition to providing incentives for associates to volunteer their time and money, Centier offers education and resources to connect associates with organizations who can utilize their help. In 2018, Centier developed a proprietary volunteerism portal that associates could use to find out about volunteering opportunities with partner organizations and within Centier by location and interest. The portal also allows associates to log their volunteer hours, with which they can earn Centier Bucks, used to purchase logoed gear and other items, and receive credit for up to eight hours paid time off per year. In 2017, Centier offered its first volunteer fair. “We brought in more than twenty nonprofits here to the Corporate Centre to meet with our associates,” says Anthony. “We had a couple hundred associates learn about these nonprofits and ways to get involved. We also host other educational and inspirational speakers, including a Board Member Boot Camp, where we had a speaker

come in to talk about what it really means to be on a nonprofit board. It’s just amazing to see how we’ve been able to further engage our associates in volunteering by bringing awareness to all the opportunities that exist.”

A FAMILY FEEL

The Schrage family and the values they evince remain a touchstone for Centier Bank’s more than nine hundred associates. “They are some of the most generous people, and not just in monetary ways,” says Donna Hammersmith, Mike’s executive assistant. “What they say when they’re around people and the things that they do for them are inspiring.” Mike and Jill’s partnership is also a reassuring facet of the family business. “They’re just so down to earth. Jill is so grounded, which I think is good for Mike, and she contributes a lot of ideas for different things that should be done. I see their relationship as a true partnership.”

“Mike and Jill are very much part of the organization,” says Chrisanne Christ, head of human resources. “They’re approachable and accessible. Mike is always part of the communication to associates at bank parties or events, and Jill is there putting them on.” At bank events, the couple does not shirk from putting in effort. “Mike is always sharing clear information with an impressive degree of transparency. Jill is always there, too, setting up and cleaning up after them. Never expecting any special treatment, and always willing to get down and do the dirtiest of the dirty work along with anyone else.”

For Jill, it had never occurred to her not to take a hands-on approach to helping in the events. “I think from the beginning Mike and I would always jump in if there was set-up or clean-up to do. That was just something natural for us.”

That hands-on tradition continues. “I do see Mike and Jill’s example trickling down to the daughters,” says Hammersmith. “They are working with their spouses to become the same sort of partners that Mike and Jill have been.”



The Schrage family remains as committed to its core values as it is to its Not For Sale pledge. Among those values is fun, which is on full display during the annual Wiener Fest event. In 2008 Centier put on a hotdog cookout, and the event has grown to include a raffle and crowning of a Wiener King and Queen. The royal honorees are selected by votes made with small monetary donations to the CARE program.



Centier builds team spirit among associates while making a positive impact on the communities it serves through regular community service programs. From charity walks to clean-up and construction projects to cultural events, Centier associates maintain a strong community presence.



The Schrage family instituted the practice of having monthly meetings of the fourth and fifth generations in the Centre's boardroom. This strategy came out of the family business forums and exchanges attended by members of the fifth generation.

In 2018, Jill made the decision to enter semi-retirement, limiting her participation to planning the bank's annual Christmas party, the Quarter Century Club event in Chicago, board of directors dinners, and bringing Melissa under her wing to work on special events for the marketing department. One of the Melissa's first major contributions in her new role was to develop a Christmas party for the children of the associates. Melissa and a committee select a different theme each year—usually playing off something popular in children's entertainment and media—and Melissa personally selects and wraps Christmas gifts for more than two hundred children.

Laura believes her generation's presence among the associates today stems from the way associates felt like extended family when she was young. "We had someone recently retire who had been with the bank for forty years," says Laura. "At his retirement party he said, 'Laura, I remember the day you were born. I was at your baptism.' When I look back, my time with these amazing individuals with great values and great morals really truly helped form my childhood." Those interactions instilled a commitment to continuity. "I feel it in every bone of my body that this is what my great, great grandfather wanted: to see the family making something that started out so small into something that employs nearly a thousand people and helps the community."

CARRYING ON A LEGACY

There have now been six generations of the Schrage family since Henry Sr. founded his bank. Laura and Chris have two children, Olivia and Grant, and Melissa and Anthony have two as well, Kristoff and Aspen. So at the same time that members of the fifth generation are still seeking to define their role in the family enterprise, they are also thinking about what the family business will mean for their own children.

In many ways, they are educating their children about the bank the same way Mike and Jill taught their girls. "I like the approach that Mike and Jill took with their children," says Chris. "There was no,

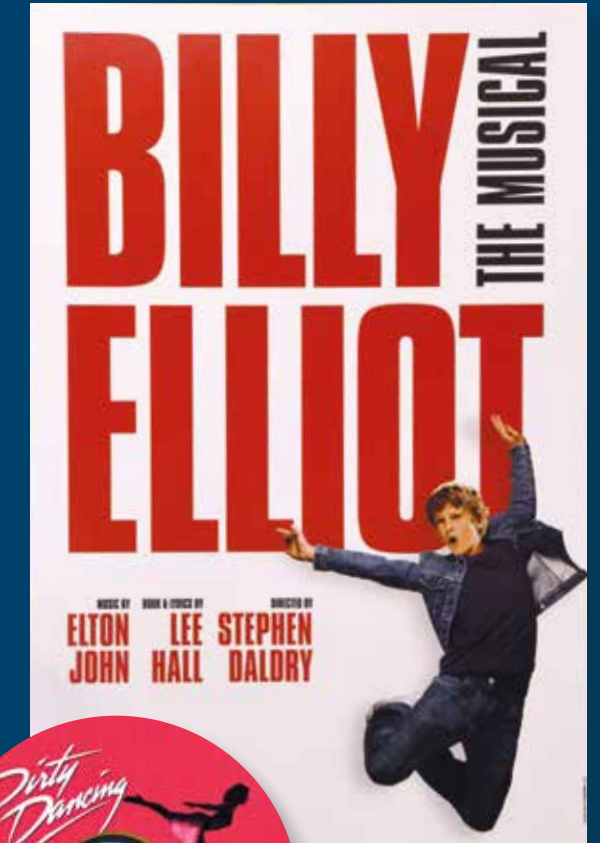
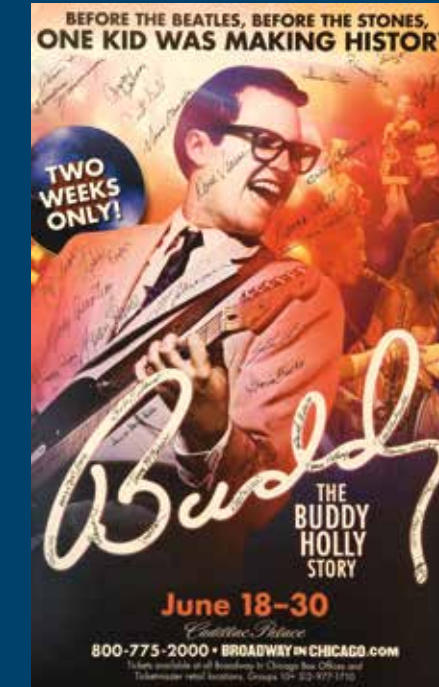
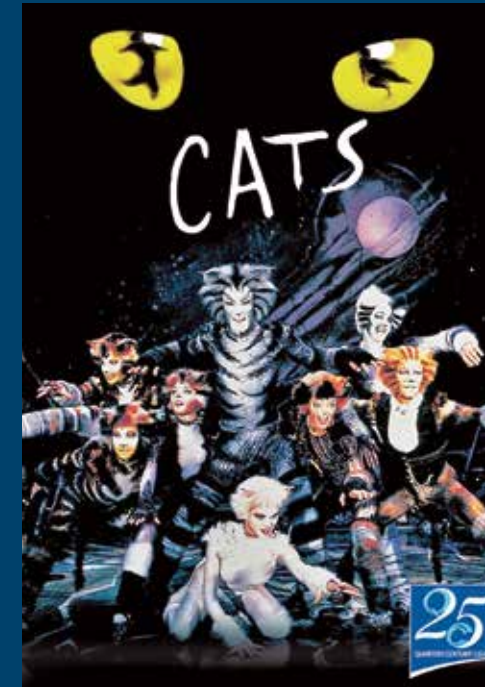
'You have to work here.' It was never forced upon them. I believe, just like Mike and Jill did, we should let them follow their passions, but also let them know if they ever want to come back here, there will be certain expectations. I think the only tweak would be educating them about the business a bit earlier on."

Laura tries to find balance in incorporating stewardship of the bank into the concept their children, Olivia and Grant, have about their place in their extended Schrage family. "I don't want the responsibility to be overwhelming, but we do want them to feel connected so that when they get older and have their own families, they can say, 'Wow, yes, I appreciate this.'"

G5 feels committed to giving their children an increased level of exposure to the daily operations of the bank. "It is very important to Anthony and me that the children are exposed to the bank and their legacy that they will one day continue," says Melissa. "Kristoff and Aspen love coming into the bank for a quick run up the elevator to see their 'Gigi,' which is what they call my mom, and to see 'Papa,' my dad. They also love to leave notes and Hershey Kisses on people's desks. They love to visit Bob Lueder in the Café and eat lunch with their cousins there. They are actively involved in the parades, and on Saturdays they sometimes go into the local branches by our house to bring in donuts to hand them out to the clients. In these ways, they have truly become part of the Centier family."

"I think all of us share the belief that providing G6 with age-appropriate education over the years will ultimately culminate with the next generation being appreciative, engaged, and knowledgeable stewards of the family enterprise so they can leave their own mark and write their own chapter," says Anthony.

For Laura, Melissa, Stephanie, Chris, and Anthony, being engaged, knowledgeable stewards is the goal for themselves, as well. For several years, Mike has worked with his board of directors to establish a succession plan, and he has been transparent with the family and senior associates about what it entails. "I have been very open, both publicly and inside the bank, that there will be a fifth generation," says Mike. "They have committed that to me.



Among the traditions that continue at Centier Bank is the annual outing for the Quarter Century Club. Each year Jill plans the event for longtime current and retired associates, who are transported to Chicago for dinner and a cultural event.



Instilling strong values in the Schrage family's youngest generation is an important goal for Mike and Jill. Here, they connect with their grandchildren around the Foundations Tree mural, which is painted with the names of the most recent group of associates to go through the bank's introductory course.



Their exact capacity is still being determined but we are all committed to identifying the right people for the right roles, family or not.”

G5 is supportive of Mike’s plans. “Our generation is more focused on achieving sustainable success together than individual glory,” says Anthony. “We all want to feel that we are adding quantifiable and tangible value, that we are leaving our own marks on this legacy, and that we all find fulfillment and success. Although the individual roles are yet to be defined, we are confident that our fifth generation will be leaders in the bank operationally, at the corporate governance level, and within the family’s governance and office.”

The board supports Mike’s succession planning as well. “He’s already put in place the people he needs to put in place to make

The Schrage family, above, remains stalwart in their commitment to the values and pledge Mike instituted during his time at the helm of the bank. Facing page: A bank seal that displays the bank’s vision, purpose, mission, and values of Caring, Loyalty, Integrity, Friendship, and Fun—punctuated by the bank’s Not For Sale logo.

strategy and vision—but I think any large organization really makes that shift at some point. We are hiring people from larger institutions that understand what the structure and platform need to look like to take our institution and make it three, four, five times our size.”

Even if the bank does experience this level of growth in the future, Mike and Jill’s children are resolute in their commitment to carry on the Schrage family legacy with Centier Bank. “I can tell you that if we didn’t 100 percent believe in family succession, there is no way we would be here,” says Laura. “I definitely feel it in my bones that there is no question of what’s to come with the family.”

“Our main goal of the fifth generation is to carry on the legacy that was started 125 years ago,” agrees Melissa. “We are going to pre-

sure that the company goes on without a glitch and that it will stay in the family,” says Leep. “To me, he’s living up to his expectations, and succession planning is not an easy thing to do. And nobody that he has placed in that boardroom is not qualified to be there. I think that is a true tribute to Mike.”

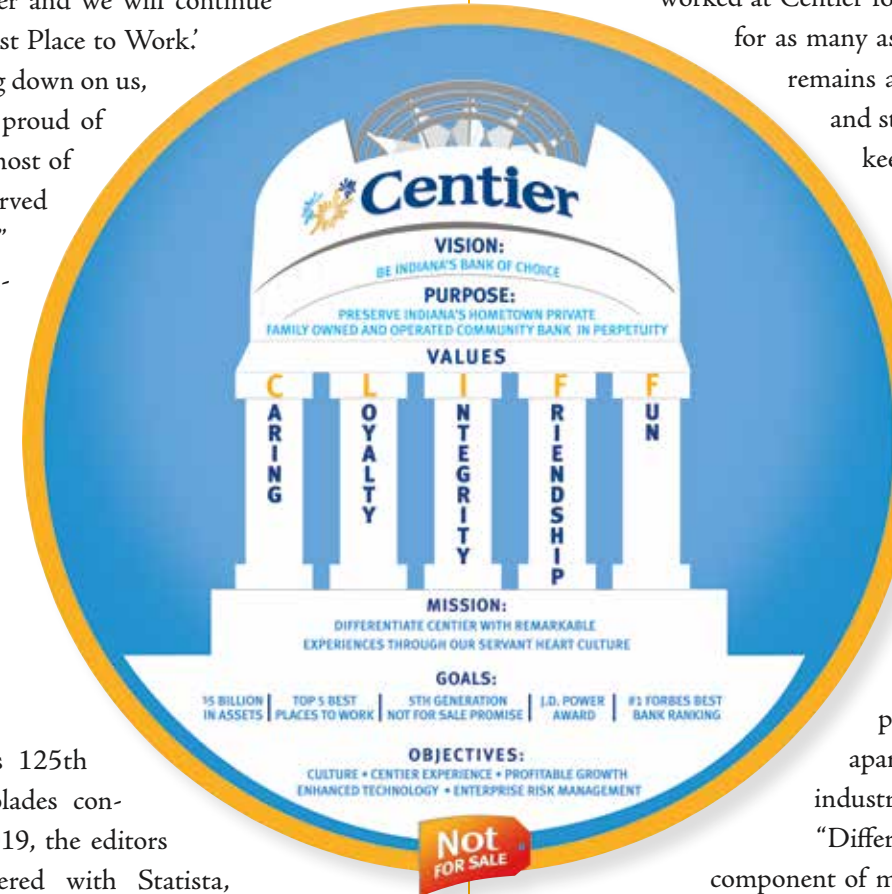
Although specific roles have not been defined, all are in agreement that for future generations bank leadership will need to be more of a professional management than entrepreneurial approach. “It is really going to take a team to move the bank to the size we think it can be,” says Chris. “It has really been all Mike up till this point—his strate-

serve the traditions, continue the culture, and gain the trust of the associates. We as the fifth generation have made a promise to my dad as well as the bank that we are here to stay. We are here to work hard, preserve the bank, and protect the associates’ jobs. We are continually working on a succession plan for an easier transition. Our hearts, minds, and blood are Centier and we will continue to help make Centier the ‘Best Place to Work.’ For all the forefathers looking down on us, we know they would be so proud of how far we have come, but most of all the values we have preserved that were important to them.”

For Stephanie, the message about the future is a clear and simple one: “We’re really excited, we’re educating ourselves, and we want to perpetuate this institution for generations to come.”

A VISION FOR THE FUTURE

As Centier approached its 125th year in operation, the accolades continued to roll in. In June 2019, the editors of *Forbes* magazine partnered with Statista, a market research firm, to select the five best banks in each state. The banks were scored on consumer survey questions that investigated overall satisfaction, financial advice, digital services, and trust. In 2018, the first year *Forbes* created the Best-In-State Banks list, Centier was among the top five Indiana banks. But in 2019, Centier Bank topped the list of Indiana’s best banks, with the *Forbes* write-up stating, “Centier is the largest private,



family-owned bank in Indiana and remains committed to being owned and operated by the Schrage family in the future.”

Longtime traditions like the Quarter Century Club, which by the 125th anniversary had reached sixty members composed of both current and retired associates, continue on. These individuals have worked at Centier for at least twenty-five years, some for as many as forty years. The Schrage family remains at the heart of the bank’s culture and steadfast in their determination to keep Centier family owned.

Another longtime tradition continues on: Mike’s vision for Centier’s future is a big one. When Mike considered other organizations to serve as a beacon for what Centier could become, he did not settle upon another bank; instead, he identified the Walt Disney Company as a model for Centier’s potential. “Centier has the ability to provide a different kind of experience, one that can really set us apart as the Disney of the banking industry,” says Mike.

“Differentiating Centier has been a big component of my time at the helm. It’s my hope that we will continue to differentiate Centier with amazing experiences, through our servant heart culture. We will remain as Indiana’s most values-driven private independent community bank for generations to come.”



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